CJBS

MEALS AT HOME

FINANCIAL STATEMENTS

JUNE 30, 2020 and 2019

CJBS, LLC
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MEALS AT HOME

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Meals at Home:

We have audited the accompanying financial statements of Meals at Home (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals at Home as of June 30, 2020 and 2019, 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.

CJBS, LLC

CJBS, LLC
Northbrook, IL

April 21, 2021

MEALS AT HOME

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	$ 35,863	$ 58,599
Restricted cash and cash equivalents	11,596	-
Accounts receivable	37,288	17,717
Contributions and grants receivables	72,038	16,378
Prepaid Expenses	1,737	-
Investments	78,855	148,567
TOTAL CURRENT ASSETS	237,377	241,261
PROPERTY AND EQUIPMENT		
Leasehold improvements	251,949	12,992
Equipment and furniture	6,754	6,754
Computers and software	5,002	-
Less: Accumulated depreciation	(9,064)	(6,767)
TOTAL PROPERTY AND EQUIPMENT	254,641	12,979
OTHER ASSETS		
Security Deposit	2,586	-
TOTAL OTHER ASSETS	2,586	-
TOTAL ASSETS	$ 494,604	$ 254,240

LIABILITIES AND NET ASSETS

	2020	2019
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 111,345	$ 82,294
Deferred revenue	20,965	7,500
TOTAL CURRENT LIABILITIES	132,310	89,794
LONG TERM LIABILITIES		
Accounts payable	69,365	70,565
TOTAL LIABILITIES	201,675	160,359
NET ASSETS		
Without donor restrictions	234,721	36,980
With donor restrictions	58,208	56,901
TOTAL NET ASSETS	292,929	93,881
TOTAL LIABILITIES NET ASSETS	$ 494,604	$ 254,240

The accompanying notes are an integral part of these financial statements.

MEALS AT HOME

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT						
Program service fees	$ 95,510	$ -	$ 95,510	125,878	$ -	$ 125,878
Government grants and contracts	77,050	-	77,050	46,000	-	46,000
Contributions	276,930	417,990	694,920	160,262	78,378	238,640
Contributions in-kind	38,725	9,661	48,386			
Special events	126,461	-	126,461	38,490	-	38,490
Less cost of direct benefits to donors	(35,715)		(35,715)	(16,323)	-	(16,323)
	90,746	-	90,746	22,167	-	22,167
Net investment return	(3,035)	-	(3,035)	11,984	-	11,984
Net assets released from restrictions	426,344	(426,344)	-	21,477	(21,477)	-
Total revenue, gains and other support	1,002,270	1,307	1,003,577	387,768	56,901	444,669
EXPENSES						
Program services	433,350	-	433,350	314,893	-	314,893
Management and general	339,004	-	339,004	233,806	-	233,806
Fundraising	32,175	-	32,175	23,423	-	23,423
Total program and supporting services expenses	804,529	-	804,529	572,122	-	572,122
CHANGE IN NET ASSETS	197,741	1,307	199,048	(184,354)	56,901	(127,453)
NET ASSETS, BEGINNING OF YEAR	36,980	56,901	93,881	221,334	-	221,334
NET ASSETS, END OF YEAR	$ 234,721	$ 58,208	$ 292,929	$ 36,980	$ 56,901	$ 93,881

The accompanying notes are an integral part of these financial statements.

MEALS AT HOME

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Program Services	Management and General	Fundraising	Total 2020	Program Services	Management and General	Fundraising	Total 2019
Salaries	$ 163,810	$ 87,366	$ 21,841	$ 273,017	$ 122,983	$ 65,590	$ 16,398	$ 204,971
Payroll taxes	13,214	7,048	1,762	22,024	9,389	5,007	1,252	15,648
Other employee benefits	602	321	80	1,003	372	198	50	620
Volunteer relations	7,022	-	-	7,022	1,965	-	-	1,965
Professional fees	-	127,636	-	127,636	-	42,574	-	42,574
Development and marketing	-	46,158	-	46,158	-	18,785	-	18,785
Supplies	6,368	3,397	849	10,614	2,303	1,229	307	3,839
Computer expenses	15,580	8,309	2,077	25,966	10,372	5,531	1,383	17,286
Rent	27,799	14,826	3,707	46,332	17,074	9,106	2,277	28,457
Kitchen maintenance	22,595	-	-	22,595	-	-	-	-
Telephone	2,885	1,538	385	4,808	1,272	678	170	2,120
Travel	-	1,334	-	1,334	-	331	-	331
Insurance	4,886	2,606	651	8,143	2,836	1,513	378	4,727
Dues and memberships	-	1,164	-	1,164	-	613	-	613
Printing and postage	3,782	2,017	504	6,303	8,255	4,403	1,101	13,759
Miscellaneous	-	23,049	-	23,049	-	5,285	-	5,285
Depreciation	2,395	1,278	319	3,992	800	426	107	1,333
Bad debt	-	10,957	-	10,957	-	72,537	-	72,537
Donated materials	12,121	-	-	12,121	-	-	-	-
Meals cost, net of discounts	150,291	-	-	150,291	137,272	-	-	137,272
Total Functional Expenses	$ 433,350	$ 339,004	$ 32,175	$ 804,529	$ 314,893	$ 233,806	$ 23,423	$ 572,122

The accompanying notes are an integral part of these financial statements.

MEALS AT HOME

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 199,048	($ 127,453)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	3,992	1,333
Loss on disposals of property and equipment	11,297	-
Realized loss on investments	308	28,572
Unrealized loss (gain) on investments	3,932	(18,024)
Donated investments	(38,353)	(4,734)
Contributions restricted for property and equipment	(417,990)	(78,378)
(Increase) decrease in assets:		
Accounts receivable	(19,571)	37,999
Contributions and grants receivable	(69,038)	6,500
Prepaid Expenses	(1,737)	-
Security deposit	(2,586)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	27,851	52,844
Deferred revenue	13,465	7,500
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(289,382)	(93,841)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(256,951)	-
Proceeds from sale of investments	108,334	82,984
Net change in cash equivalents included in investments	(4,509)	(8,475)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(153,126)	74,509
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections of contributions restricted for property and equipment	431,368	65,000
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	431,368	65,000
NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	(11,140)	45,668
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	58,599	12,931
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 47,459	$ 58,599

The accompanying notes are an integral part of these financial statements.

MEALS AT HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Meals at Home (the Organization), also known as Meals on Wheels Northeastern Illinois, a not-for-profit corporation, was incorporated under the laws of the State of Illinois in October 1974. The Organization fosters health and contributes to individual well-being and independence by delivering nutritious meals, medically prescribed diets, and providing other support services to the homebound, elderly, disabled, and others temporarily unable to care for their nutritional needs.

The following is a summary of significant accounting policies:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single comprehensive model for recognizing revenue and supersedes the revenue recognition requirements in FASB ASC 605*, Revenue Recognition*. ASU 2014-09 requires the recognition of revenue when promised goods and services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs – Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Topic 606 and all the related amendments and Subtopic 340-40 ("new revenue standard") were effective for the Organization's fiscal year beginning July 1, 2019 and did not have a significant impact on the Organization's results of operations. The Organization adopted the new revenue standard to all contracts using the modified retrospective approach and did not record a cumulative catch-up adjustment as the timing and measurement of revenue for the Organization's program fees are similar to its prior revenue recognition model. On June 3, 2020 the FASB issued guidance (ASU 2020-05) that defers the effective date of the revenue standard ASC 606 for entities that have not yet issued financial statements adopting the standards. Early adoption is still permitted. The Organization adopted ASU 2014-09 during the fiscal year 2020.

Practical expedients. Under the new revenue recognition standard, the Organization has elected to apply the following practical expedients and optional exemptions:

- *Significant financing component.* The Organization elected not to adjust the promised amount of consideration for the effects of a significant financing component as the organization expects, at contract inception, that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less.
- Recognize incremental costs of obtaining a contract with amortization periods of one year or less as expense when incurred. These costs, if any, are expensed as incurred.
- *The "right to invoice" practical expedient*. Recognize revenue in the amount of consideration to which the organization has a right to invoice the customer if that amount corresponds directly with the value to the customer of the organization's services completed to date.

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.* The amendments in this Update changes how entities recognize, measure, present, and disclose certain financial assets and financial liabilities. For not-for-profit entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. In addition, FASB issued ASU No. 2018-03, *Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, in February 2018 to clarify certain aspects of the guidance issued in ASU No. 2016-01. The Organization adopted these ASUs on July 1, 2019 and did not significantly impact the Organization's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarify and improve current guidance about whether a transfer of assets (or reduction, settlement, or cancellation of liabilities) is contribution or an exchange transaction. The amendments in this Update require that an entity determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either right of return of assets transferred or a right of release of promisor's obligation to transfer assets. The presence of both a barrier and a right of return or a right of release indicates that a recipient is not entitles to the transferred assets or a future transfer of assets until it has overcome the barrier(s) in the agreement. After a contribution has been deemed unconditional, an entity would then consider whether the contribution has a donor-imposed restriction. For transactions in which an entity serves as the resource recipient the entity should apply the amendments in this Update on contributions received to annual period being after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. For transactions in which an entity serves as a resource provider, the entity should apply the amendments in this Update on contributions made to annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption of the amendments is permitted. The Organization adopted ASU 2018-08 in the fiscal year ended June 30, 2020, using a modified prospective basis. The comparative information has not been restated, and it continues to be reported under the accounting standards in effect for those periods. There is no cumulative-effect adjustment to the opening balance of net assets at the beginning of the year of adoption.

Basis of Presentation

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 are resources available to support operations and are not subject to grantor or donor-imposed restrictions. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue from Grants and Contracts

Revenue from government and private grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreements. Any funding received in advance of expenditure is recorded as deferred revenue until expended.

Revenue from Program Service Fees

The Organization's program fees consist of meal support for seniors on fixed incomes who are struggling to pay for housing, medicine, and food. Program is recognized at the point in time when control transfers to the program participant, generally when services are delivered to the participants.

Because all of the performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the practical expedient and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred when the amortization period of the asset that the Organization otherwise would have recognized is one year or less.

Significant Judgments. The Organization determines the transaction price based on standard charges for goods and services provided, discounts provided in accordance with the Organization's policy, and implicit price concessions provided to program participants. The Organization determines its estimates of explicit price concessions based on contractual agreements and its discount policies. The Organization determines its estimate of implicit price concessions based on its historical collection experience with program participants.

Revenue from Contributions

Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from Donated Services and In-Kind Contributions

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization annually receives a significant amount of donated services from volunteers. Because the majority of these donated services do not meet the U.S. GAAP requirements for recognition of professional services or creation or enhancement of non-financial assets, no value has been reflected in the accompanying financial statements. During years ended June 30, 2020, the Organization received in-kind professional services and supplies, including a vehicle, estimated at $22,265 and $26,121, respectively. During years ended June 30, 2020 and 2019, the Organization received volunteer hours estimated at $120,000 and $99,500, respectively. These donated services do not meet the U.S. GAAP requirements for recognition in the financial statements.

Advertising Expenses

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Natural expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among various functional areas using a variety of cost allocation techniques such as square footage and time and effort.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents, except those held for long-term investment.

Restricted cash is maintained in a separate bank account, in accordance with donor stipulations or various agreements.

Financial Instruments and Credit Risk

The Organization places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits from time to time.

The Organization's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are stated at fair value based on market quotations. Donated investments are recorded at the fair value at the date of receipt. Investment income is recognized when earned. Net appreciation (depreciation) in the fair value of investments, which consists of dividends and interests, realized gains or losses, and unrealized gains and losses on those investments, is presented in the statements of activities in accordance with donor restrictions as net investment earnings. Net investment earnings is presented net of investment fees. The original cost method is primarily used to determine the basis for computing realized gains or losses.

Accounts Receivable

Accounts receivable represent consideration from local municipalities and townships and program service fees, of which the Organization has an unconditional right to receive. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. Management has elected to record bad debt expense using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense, however, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. Based on management's review of accounts receivable, management believes that substantially all accounts receivable are collectible.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions and unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Property and Equipment

Acquisitions of property and equipment over $500 are recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of fixed assets are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts, and any gain or loss is reported in the statement of activities. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Leasehold improvements	10 years
Equipment and furniture	5 - 7 years
Computers and software	3 years

When assets are sold or otherwise disposed, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 these estimates.

Income Taxes

Meals at Home has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

The Organization follows the guidance of Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes,* related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for the Organization for the years ended June 30, 2020 and 2019. The Organization's federal and state information returns are subject to examination, generally for three years after the filing date.

Reclassifications

Certain accounts in the prior year financial statements may have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity to be able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following for the years ended June 30:

	2020	2019
Financial assets:		
Cash and cash equivalents	$ 35,863	$ 58,599
Restricted cash and cash equivalents	11,596	-
Investments	20,647	105,044
Accounts receivable collected in less than one year	109,326	20,717
Total financial assets and liquidity resources Available within one year	$ 177,432	$ 184,360

NOTE C – INVESTMENTS AND CLASSIFICATION IN THE FAIR VALUE HIERARCHY

All investments are valued at fair market under the provisions of FASB ASC 958. The following is a summary of the Organization's investments and investment income as of June 30:

	2020	
	Fair Value	Cost
Cash/Money Market Funds	$ 11,595	$ 11,595
Fixed income – corporate bonds	40,385	40,141
Exchange traded products	26,875	14,803
Total Investments	$ 78,855	$ 66,539

	2019	
	Fair Value	Cost
Cash/Money Market Funds	$ 16,104	$ 16,104
Fixed income – corporate bonds	40,306	40,141
Equities	7,172	4,734
Exchange traded products	84,985	71,340
Total Investments	$ 148,567	$ 132,319

The Accounting Standards Codification for *Fair Value Measurements* (ASC 820) 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

NOTE C – INVESTMENTS AND CLASSIFICATION IN THE FAIR VALUE HIERARCHY (continued)

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the closing price reported on the active market on which the individual funds are traded.

Corporate and government bonds: Valued at the market quotations provided by brokers and dealers who used quotations for similar securities in active markets, which represents a market approach.

The preceding approach described might produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although The Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, The Organization's investment assets at fair value at June 30:

	Assets at Fair Value at June 30, 2020			
	Level 1	Level 2	Level 3	Total Fair Value
Fixed income – corporate bonds	$ 40,385	$ -	$ -	$ 40,385
Exchange traded products	26,875	-	-	26,875
Total Assets at Fair Value	$ 67,260	$ -	$ -	67,260
Cash/Money Market Funds				11,595
Total Investments				$ 78,855

	Assets at Fair Value at June 30, 2019			
	Level 1	Level 2	Level 3	Total Fair Value
Common Stock	$ 7,172	$ -	$ -	$ 7,172
Fixed income – corporate bonds	40,306	-	-	40,306
Exchange traded products	84,985	-	-	84,985
Total Assets at Fair Value	$ 132,463	$ -	$ -	132,463
Cash/Money Market Funds				16,104
Total Investments				$ 148,567

NOTE D– COMMITMENTS

Operating lease

The Organization had a two-year lease agreement for an office space in Evanston, Illinois that expired in September 30, 2019. During fiscal year ended June 30, 2020, the Organization moved into a new space and signed a 10-year lease expiring on September 30, 2029. Monthly rental invoices under the new lease agreement will include amounts for real estate taxes and maintenance. The Organization records rent on a straight-line basis, which does not necessarily equal the amounts of rent payments made to the lessor.

Lease expense for the year ended June 30, 2020 and 2019, was $33,574 and $28,457, respectively. Future minimum rental payments required under the lease expiring on September 30, 2029, are as follows:

Fiscal June 30,	
2021	$ 23,271
2022	31,028
2023	31,028
2024	32,439
Thereafter	176,532
Total	$ 294,298

Other commitments

As of June 30, 2020, the Organization had an outstanding liability of approximately $70,000 in connection with a meal preparation service contract that terminated effective January 1, 2019. On July 20, 2020, the vendor agreed to reduce the debt with the cost per delivery of two meals per day for each eligible participating patient. The debt is expected to be forgiven over the one-year term as the contract conditions are met.

The Organization entered into a four-year contract with a fundraising consultant beginning April 1, 2019 through June 30, 2022. The Organization is billed monthly based on services provided including data management, print production direct mail packages and donation processing. During the year ended June 30, 2020 and 2019, the Organization incurred $29,396 and $1,017, respectively, in professional expenses related to this contract.

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

The Organization receives restricted contributions for subsidized meals, used in the same year as received. In 2018, the Organization started a capital campaign for leasing a new facility and construction of a kitchen. The in-house kitchen will allow the Organization to produce meals at a lower cost than purchasing from local vendors for delivery to their clients, most of whom are seniors. As of June 30, 2020 and 2019, the Organization had $58,208 and $56,901, respectively of capital campaign funds classified as net assets with donor restrictions.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

NOTE F – CONCENTRATIONS

The Organization had approximately 13% and 15% of grant and contribution revenue from one donor for the years ended June 30, 2020 and 2019, respectively.

NOTE G – RISKS AND UNCERTANTIES

A substantial amount of the Organizations total revenue is derived from government grants and service contracts. Program revenue in excess of program expenses is typically subject to recapture under various provisions. Additionally, the disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Organization. Also, a change in the funding levels could have a significant effect on operations.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and statements of activities. Because a significant portion of the Organization's assets are marketable securities, there is an inherent concentration of risk for associated income and loss tied to market performance. However, the Organization's board of directors seeks to mitigate this risk through diversification of the investment portfolio, ongoing monitoring, and consultation with third-party investment professionals.

As a result of the spread of the COVID-19, economic uncertainties have arisen, which are likely to further impact the Organization's operations negatively. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. At this point, the extent to which COVID-19 may continue to impact the Organization's financial condition or results of operations is uncertain.

NOTE H –CONDITIONAL PROMISES TO GIVE

The Organization determines whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met, or the donor has explicitly released the restriction. The approximate conditional promises to give as of June 30, 2020 and 2019, available for spending in the next following year when the conditions are expected to be met:

	2020	2019
Municipalities and Townships grants	$ 12,050	$ 12,000

NOTE I – RELATED PARTY

During the year ended June 30, 2020 and 2019, the Organization received approximately $47,000 and $29,000, respectively, in contributions from board members.

NOTE J – SUBSEQUENT EVENTS

As of June 30, 2020, the Organization had an outstanding liability of approximately $70,000 in connection with a meal preparation service contract that terminated effective January 1, 2019. On July 20, 2020, the vendor agreed to reduce the debt with the cost per delivery of two meals per day for each eligible participating patient. The debt is expected to be forgiven over the one-year term as the contract conditions are met.

In August 2020, the Organization signed a $210,000 technology support agreement over a five-year term. Future commitments under the agreement, are as follows:

Fiscal June 30,	
2021	$ 20,000
2022	34,000
2023	43,000
2024	47,400
Thereafter	65,600
Total	$ 210,000

The management of the Organization has evaluated events subsequent to the statement of financial position date of June 30, 2020, through April 21, 2021, the date the financial statements were available to be issued. It has concluded that there are no effects that provide additional evidence about conditions that existed at the statement of financial position date that require recognition in the 2020 financial statements or related note disclosures in accordance with FASB ASC 855, *Subsequent Events*.