

Assurance

# ACCLIVUS, INC.

Audited Financial Statements

Years Ended December 31, 2021 and 2020

LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE

**ACCLIVUS, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Acclivus, Inc.

### Opinion

We have audited the accompanying financial statements of Acclivus, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acclivus, Inc. as of December 31, 2021 and 2020, 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. 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 Acclivus, Inc. 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 Acclivus, Inc.'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 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 Acclivus, Inc.'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 Acclivus, Inc.'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.

*PKF Mueller*

**ACCLIVUS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
Cash	\$ 945,776	1,434,742
Grants receivable	710,440	744,967
Prepaid expenses and deposits	24,648	19,343
Advances to subgrantees	169,143	-
Furniture and equipment, net of accumulated depreciation of \$6,417 and \$2,417 in 2021 and 2020, respectively	<u>13,583</u>	<u>17,583</u>
Total assets	<u><u>\$ 1,863,590</u></u>	<u><u>2,216,635</u></u>

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable and accrued expenses	\$ 223,016	10,157
Unearned grant revenue	310,938	904,404
Note payable	-	840,000
Paycheck Protection Program loan	<u>-</u>	<u>260,406</u>
Total liabilities	<u>533,954</u>	<u>2,014,967</u>

**Net assets:**

Without donor restrictions:		
Undesignated	<u>1,329,636</u>	<u>201,668</u>
Total liabilities and net assets	<u><u>\$ 1,863,590</u></u>	<u><u>2,216,635</u></u>

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

**ACCLIVUS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021			2020		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>Support and revenue:</b>						
Grant revenue	\$ 936,180	8,428,401	9,364,581	67,236	3,782,855	3,850,091
Contributions	25,132	-	25,132	121,285	-	121,285
In-kind contributions	160,081	-	160,081	172,753	-	172,753
Other	1,632	-	1,632	18	-	18
Net assets released from restrictions	<u>8,428,401</u>	<u>(8,428,401)</u>	<u>-</u>	<u>3,782,855</u>	<u>(3,782,855)</u>	<u>-</u>
Total support and revenue	<u>9,551,426</u>	<u>-</u>	<u>9,551,426</u>	<u>4,144,147</u>	<u>-</u>	<u>4,144,147</u>
<b>Expenses:</b>						
Program services:						
Community and engagement outreach	400,597	-	400,597	208,525	-	208,525
Violence prevention programming	<u>7,129,594</u>	<u>-</u>	<u>7,129,594</u>	<u>3,285,558</u>	<u>-</u>	<u>3,285,558</u>
Total program services	<u>7,530,191</u>	<u>-</u>	<u>7,530,191</u>	<u>3,494,083</u>	<u>-</u>	<u>3,494,083</u>
Supporting services:						
Management and general	<u>893,267</u>	<u>-</u>	<u>893,267</u>	<u>465,669</u>	<u>-</u>	<u>465,669</u>
Total supporting services	<u>893,267</u>	<u>-</u>	<u>893,267</u>	<u>465,669</u>	<u>-</u>	<u>465,669</u>
Total expenses	<u>8,423,458</u>	<u>-</u>	<u>8,423,458</u>	<u>3,959,752</u>	<u>-</u>	<u>3,959,752</u>
Change in net assets	1,127,968	-	1,127,968	184,395	-	184,395
Net assets, beginning of year	<u>201,668</u>	<u>-</u>	<u>201,668</u>	<u>17,273</u>	<u>-</u>	<u>17,273</u>
Net assets, end of year	<u>\$ 1,329,636</u>	<u>-</u>	<u>1,329,636</u>	<u>201,668</u>	<u>-</u>	<u>201,668</u>

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

**ACCLIVUS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>	<u>TOTAL EXPENSES</u>
	<u>COMMUNITY AND ENGAGEMENT OUTREACH</u>	<u>VIOLENCE PREVENTION PROGRAMMING</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	
Compensation and benefits	\$ 177,764	4,322,533	4,500,297	465,191	4,965,488
Subgrantee reimbursements	-	1,907,433	1,907,433	-	1,907,433
Supplies and office expenses	53,193	209,115	262,308	25,906	288,214
Professional services	155,849	537,882	693,731	284,408	978,139
Rent	13,791	149,231	163,022	93,450	256,472
Insurance	-	3,400	3,400	8,555	11,955
Depreciation	-	-	-	4,000	4,000
Interest expense	-	-	-	4,123	4,123
Other expenses	-	-	-	7,634	7,634
Total expenses	<u>\$ 400,597</u>	<u>7,129,594</u>	<u>7,530,191</u>	<u>893,267</u>	<u>8,423,458</u>

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

**ACCLIVUS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>	<u>TOTAL EXPENSES</u>
	<u>COMMUNITY AND ENGAGEMENT OUTREACH</u>	<u>VIOLENCE PREVENTION PROGRAMMING</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	
Compensation and benefits	\$ 71,791	2,849,349	2,921,140	200,650	3,121,790
Supplies and office expenses	31,672	162,103	193,775	22,921	216,696
Professional services	104,291	198,382	302,673	158,962	461,635
Rent	771	75,724	76,495	70,294	146,789
Insurance	-	-	-	10,592	10,592
Depreciation	-	-	-	2,250	2,250
Total expenses	<u>\$ 208,525</u>	<u>3,285,558</u>	<u>3,494,083</u>	<u>465,669</u>	<u>3,959,752</u>

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



**ACCLIVUS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>Cash provided (used) by operating activities:</b>		
Change in net assets	\$ 1,127,968	184,395
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,000	2,250
Donated equipment	-	(15,000)
Changes in assets and liabilities:		
Grants receivable	34,527	(652,335)
Prepaid expenses and deposits	(5,305)	(13,184)
Advances to subgrantees	(169,143)	-
Accounts payable and accrued expenses	212,859	(339,422)
Unearned grant revenue	(593,466)	407,132
Net cash provided (used) by operating activities	611,440	(426,164)
<b>Cash provided (used) by financing activities:</b>		
Proceeds from note payable	-	1,000,000
Payments on note payable	(840,000)	(160,000)
Proceeds from Paycheck Protection Program loan	-	260,406
Payments on Paycheck Protection Program loan	(260,406)	-
Net cash provided (used) by financing activities	(1,100,406)	1,100,406
Net increase (decrease) in cash	(488,966)	674,242
Cash, beginning of year	1,434,742	760,500
Cash, end of year	\$ 945,776	1,434,742
<b>Other cash flow information:</b>		
Interest paid	\$ 4,123	-
Donated furniture and equipment	-	15,000

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

**ACCLIVUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1 - NATURE OF OPERATIONS**

Acclivus, Inc. (Organization) is a not-for-profit organization incorporated on July 26, 2010. The Organization was incorporated with the intention of building a not-for-profit organization to serve the community health needs of the Chicago area vulnerable and disenfranchised populations. The Organization did not receive any funding between 2010 and 2018. During this time, the founders were developing the necessary professional network to support the launch of large-scale programming, which occurred in December 2018. The Organization is tax-exempt under Internal Revenue Service Code Section 501(c)(3). The Organization is a community health organization focused on the health and well-being of individuals living in Chicago's most vulnerable neighborhoods. The Organization is involved in the following programs:

Violence Prevention Programming

*Hospital Responses*

This program provides targeted intervention to victims of violence and their loved ones in real time. Responders are deployed quickly to serve violently injured patients, 24 hours a day, 7 days a week, 365 days a year, and use behavior change techniques to diffuse emotions, provide support, and encourage patients to follow a course to avoid violence or re-injury. Responders conduct risk assessments and work with patients to create risk reduction goals. Responders are trained to capitalize on the naturally occurring "teachable moment" of a hospital visit, whenever a gunshot, stabbing, or blunt trauma victim arrives. Responders work with visitors, focused on defusing high emotions, and supporting them to care for the injured individual. Acclivus Case Managers complete in-depth assessments on victims' recovery needs and provide support as they transition back into the community. The Organization addresses the link between violence exposure and violent acts among high-risk, underserved, and disconnected populations in low-income communities exposed to or injured by violence with limited connection to mainstream supportive services.

*Community-Based Violence Prevention*

The Organization utilizes a public health approach, focused on improving the health and safety of all individuals by addressing underlying risk factors afflicting individuals most likely to be involved in violence. Therefore, the Organization's work focuses on identifying health disparities and violent behavior risk factors correlated with violent outcomes, such as being underemployed or unemployed, substance abuse, homelessness, criminal background, mental illness, etc. The Organization's community-based violence prevention services provide street outreach and conflict mediation services to individuals at highest risk for violence involvement, either as victim or perpetrator. Services are provided within specific geographic areas with disproportionate rates of violent events. Additionally, the Organization provides structured Case Management services for individuals at risk.

Community Engagement and Outreach

This program is an effort to raise awareness about violence to key stakeholders. The Organization provides public education services of various types to educate stakeholders on violence, behavior which elevates risk for violence, and prosocial activities with the goal of reducing violence. Examples of public education activities include strategic events and distribution of education materials targeted to key stakeholder audiences.

**ACCLIVUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (U.S. GAAP).

Grants Receivable

Grants receivable are stated at unpaid balances for grants, less an allowance for doubtful accounts. The Organization provides for losses on grants receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At December 31, 2021 and 2020, an allowance for doubtful accounts was not considered necessary.

Advances to Subgrantees

Advances to subgrantees consists of advances paid to organizations using funds from the Illinois Criminal Justice Information Authority grant. The advances are recorded when paid and are applied to qualifying expenditures under the grant that are submitted by the subgrantees. Amounts that have been paid for qualifying expenditures are included in subgrantee reimbursements on the statements of functional expenses.

Furniture and Equipment

Furniture and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. The Organization received donated furniture and equipment and reported it at a fair value of \$15,000 during 2020. The Organization did not receive any donated furniture and equipment during 2021.

Depreciation is provided using the straight-line method over the estimated useful lives of depreciable assets. The useful life of the donated furniture and equipment is five years. Depreciation expense for the years ended December 31, 2021 and 2020 was \$4,000 and \$2,250, respectively.

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-imposed restrictions.

**ACCLIVUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Net Assets, Continued

*Net Assets With Donor Restrictions* – Net assets subject to donor-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. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Donated Goods and Services

Donated goods and services are recorded at their fair value at the date of receipt as required by U.S GAAP. The Organization records the fair value of donated services if the donated services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.

Revenue Recognition

Gifts, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

Revenue from government and private grant and contract agreements, which are generally considered nonexchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as unearned grant revenue on the statements of financial position. Future funding from government and private grant and contract agreements is dependent on fiscal funding clauses and annual appropriations from granting agencies and organizations. Such conditional funding as of December 31, 2021 and 2020 is approximately \$4,910,000 and \$6,290,000, respectively.

Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**ACCLIVUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Allocation of Expenses, Continued

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated based on time and effort and is directly tracked through employee time sheets, and rent, which is allocated on a square footage basis. Supplies and office expenses, professional services, insurance, and depreciation are directly identified to the functional category to which they apply.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

The Organization has evaluated the tax positions taken for all open tax years. Currently the 2018, 2019, and 2020 tax years are open and subject to examination by the Internal Revenue Service; however, the Organization is not currently under audit nor has the Organization been contacted by this jurisdiction.

Based on the evaluation of the Organization's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the for the years ended December 31, 2021 and 2020.

Concentration of Credit Risk

The Organization maintains its cash balances at multiple financial institutions located in Chicago, Illinois. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times the Organization's cash deposits may exceed the FDIC limit. Management does not believe it is exposed to any significant credit risk on cash.

Concentration of Grant and Contributions Revenue

The Organization relies on a small pool of grantors that consist of state, city, and local agencies to fund daily operations. During the year ended December 31, 2021, the Organization received approximately 85% of their annual grant and contribution revenues from two grantors. During the year ended December 31, 2020, the Organization received approximately 72% of their annual grants and contribution revenues from three grantors.

Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ACCLIVUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

New Accounting Standard – Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases in the statements of financial position. The ASUs are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the methods of adoption allowed and the effect that adoption is expected to have on its financial position, changes in net assets, cash flows, and related disclosures.

New Accounting Standard - Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The key provisions of ASU No. 2020-07 are 1) a requirement to present contributed nonfinancial assets as a separate line item in the statements of activities and 2) disclosure of contributed nonfinancial assets disaggregated by type, which includes information about monetization and utilization, donor restrictions, and the valuation techniques used. ASU No. 2020-07 should be applied on a retrospective basis and is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the effect that adoption is expected to have on its statements of activities, functional expenses, and related disclosures.

Management Evaluation of Going Concern

In accordance with U.S. GAAP, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Organization's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Organization's ability to continue as a going concern for the period from June 29, 2022 to June 29, 2023.

Subsequent Events

Subsequent events have been evaluated through June 29, 2022, the date that the financial statements were available to be issued.

In 2022, the Organization was awarded grants totaling \$450,000 for violence prevention programming. These awards are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures.

**ACCLIVUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 3 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statements of financial position, comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash	\$ 945,776	1,434,742
Grants receivable	<u>710,440</u>	<u>744,967</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,656,216</u>	<u>2,179,709</u>

The Organization's goal is to maintain available financial assets sufficient to meet 60 days of general operating expenditures.

**NOTE 4 - NOTE PAYABLE**

During September 2020, the Organization received a \$1,000,000 loan from a not-for-profit organization. The loan was non-interest bearing and as of December 31, 2020 had a balance of \$840,000. During 2021, the loan was repaid in full.

**NOTE 5 - PAYCHECK PROTECTION PROGRAM LOAN**

On May 26, 2020, the Organization received loan proceeds in the amount of \$260,406 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). PPP loans and accrued interest are forgivable to the extent the criteria established in the CARES Act are met.

The Organization recorded a note payable of \$260,406 as of December 31, 2020. During 2021, the Organization repaid the \$260,406 PPP loan in full and incurred interest expense of \$4,123 as a result.

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

The Organization has no net assets with donor restrictions as of December 31, 2021 and 2020.

**ACCLIVUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 7 - DONATED GOODS AND SERVICES**

The value of donated goods and services included as in-kind contributions in the financial statements and the corresponding expenses for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Donated services	\$ 160,081	157,618
Donated goods	-	15,135
Total	\$ 160,081	172,753

The Organization is leasing facilities from the University of Illinois at Chicago under a lease agreement expiring on June 30, 2022. Included in donated services in the statements of activities is the estimated fair rental revenue and expense of \$58,200 for the years ended December 31, 2021 and 2020. The Organization primarily uses donated facilities for management and general services.

**NOTE 8 - OPERATING LEASES**

The Organization has several operating leases in Chicago, Illinois. All lease agreements have one-year terms and have various maturity dates through July 2022. The monthly rental payments due on the operating leases range from \$1,459 to \$3,000 per month and are recorded as operating expenses as incurred. The Organization plans to renew lease agreements annually. Future estimated minimum lease payments are not accrued as liabilities.

Rent expense included in operations on these lease agreements totaled \$256,472 and \$146,789 for the years ended December 31, 2021 and 2020, respectively.

The aggregate future minimum lease commitment on these leases as of December 31, 2021 is \$93,154 for the year ended December 31, 2022.

**NOTE 9 - IMPACT OF COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America and certain parts of the world. To date, the impact on the Organization's operations and results has not been significant and management expects this to remain the case. Management continues to actively monitor the global situation in order to mitigate any potential future impact on the Organization's changes in net assets and financial performance.