

HUMANITARIAN SERVICE PROJECT

March 31, 2021

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To the Members and Board of Directors of
Humanitarian Service Project

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Humanitarian Service Project (a nonprofit Organization) which comprise the statement of financial position as of March 31, 2021 and 2020, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Humanitarian Service Project as of March 31, 2021 and 2020, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 1, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wagner, Sim & Co.

Oakbrook Terrace, IL
July 19, 2021

HUMANITARIAN SERVICE PROJECT
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020

Exhibit A

	March 31,	
	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 580,495	\$ 347,176
Prepaid expenses	1,033	-
	\$ 581,528	\$ 347,176
NONCURRENT ASSETS:		
Cash - Restricted	\$ 770,677	\$ 445,801
Long-term investments	707,181	818,599
	\$ 1,477,858	\$ 1,264,400
PROPERTY, PLANT AND EQUIPMENT:		
Land and improvements	\$ 368,061	\$ 365,195
Office building	956,265	956,265
Storehouse	6,024	6,024
Vehicles	33,850	51,940
Equipment	99,231	98,251
Furniture and fixtures	9,500	9,500
	\$ 1,472,931	\$ 1,487,175
Less - accumulated depreciation	537,733	523,130
	\$ 935,198	\$ 964,045
Total net property, plant and equipment	\$ 935,198	\$ 964,045
Total assets	\$ 2,994,584	\$ 2,575,621
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES -		
Accounts payable	\$ 217	\$ 721
NET ASSETS		
Without donor restrictions	\$ 1,815,419	\$ 1,573,273
With donor restrictions	1,178,948	1,001,627
	\$ 2,994,367	\$ 2,574,900
Total net assets	\$ 2,994,367	\$ 2,574,900
Total liabilities and net assets	\$ 2,994,584	\$ 2,575,621

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

Exhibit B

	<u>Without</u>	<u>With</u>	<u>Memorandum Only Totals</u>	
	<u>Donor</u>	<u>Donor</u>	<u>March 31,</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2021</u>	<u>2020</u>
REVENUES, GAINS, LOSSES, OTHER SUPPORT AND RECLASSIFICATIONS				
Contributions	\$ 373,346	\$ 16,375	\$ 389,721	\$ 297,252
Grants	276,634	-	276,634	109,900
PPP loan forgiveness	51,900	-	51,900	-
Realized gain (loss) on sale of securities	7,920	81,062	88,982	24,625
Unrealized gain (loss) on market value fluctuation	36,882	105,741	142,623	(112,476)
Investment income - net of fees of \$2,460	24,841	-	24,841	30,665
Contributed goods	620,752	-	620,752	782,932
Contributed services	43,465	-	43,465	183,481
Total revenues, gains, losses, and other support	<u>\$ 1,435,740</u>	<u>\$ 203,178</u>	<u>\$ 1,638,918</u>	<u>\$ 1,316,379</u>
Net assets released from restrictions	<u>25,857</u>	<u>(25,857)</u>	<u>-</u>	<u>-</u>
Total revenue, gains, losses, other support and reclassifications	<u>\$ 1,461,597</u>	<u>\$ 177,321</u>	<u>\$ 1,638,918</u>	<u>\$ 1,316,379</u>
EXPENSES:				
Program services:				
Senior Citizen Project	\$ 304,715	\$ -	\$ 304,715	\$ 501,092
Children's Project	350,143	-	350,143	260,099
Christmas Offering Project	415,785	-	415,785	532,708
Supporting activities:				
Management and general	103,981	-	103,981	115,686
Fundraising	44,827	-	44,827	41,666
Total expenses	<u>\$ 1,219,451</u>	<u>\$ -</u>	<u>\$ 1,219,451</u>	<u>\$ 1,451,251</u>
CHANGE IN NET ASSETS	\$ 242,146	\$ 177,321	\$ 419,467	\$ (134,872)
NET ASSETS AT BEGINNING OF YEAR	<u>1,573,273</u>	<u>1,001,627</u>	<u>2,574,900</u>	<u>2,709,772</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,815,419</u>	<u>\$ 1,178,948</u>	<u>\$ 2,994,367</u>	<u>\$ 2,574,900</u>

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

Exhibit C

	Program Services			Supporting Activities		Memorandum Only	
	Senior Citizen Project	Children's Project	Christmas Offering Project	Management and General	Fundraising	Totals	
						2021	2020
Assistance to individuals	\$ 167,913	\$ 238,290	\$ 329,862	\$ -	\$ -	\$ 736,065	\$ 828,089
Contributed services	17,885	11,182	10,362	1,236	-	40,665	180,731
Salaries	33,177	46,473	41,216	71,963	35,445	228,274	230,169
Payroll taxes	2,538	3,555	3,153	5,505	2,712	17,463	17,608
Staff group insurance and pension	4,830	6,365	4,555	7,192	3,543	26,485	28,957
Supplies/copies	7,381	3,355	1,342	200	1,141	13,419	4,392
Telephone	2,834	1,546	515	79	179	5,153	4,925
Postage and mailing	1,765	1,382	1,765	97	874	5,883	5,022
Building occupancy	5,303	4,592	1,772	811	-	12,478	16,350
Utilities	7,128	6,172	2,381	1,090	-	16,771	16,983
Small equipment/software	3,442	2,771	2,591	1,092	-	9,896	14,775
Professional services	-	-	-	5,600	-	5,600	5,500
Printing, mailing and copying	3,627	2,591	3,109	103	933	10,363	8,227
Advertising/development	4,099	1,491	1,863	-	-	7,453	7,001
Insurance	18,659	4,306	4,306	1,436	-	28,707	24,871
Volunteer development	2,449	565	753	-	-	3,767	4,533
Training	-	-	-	1,219	-	1,219	1,384
Miscellaneous	1,598	639	319	639	-	3,195	4,487
Contract services	-	-	-	3,690	-	3,690	2,683
Internet/Website	2,352	2,090	784	-	-	5,226	7,328
Total expenses before depreciation	\$ 286,980	\$ 337,365	\$ 410,648	\$ 101,952	\$ 44,827	\$ 1,181,772	\$ 1,414,015
Depreciation	17,735	12,778	5,137	2,029	-	37,679	37,236
Total expenses	\$ 304,715	\$ 350,143	\$ 415,785	\$ 103,981	\$ 44,827	\$ 1,219,451	\$ 1,451,251

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

Exhibit D

	Without Donor Restrictions	With Donor Restrictions	Memorandum Only Totals	
			2021	March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:				
Contributions, bequests and grants received	\$ 701,880	\$ -	\$ 701,880	\$ 383,443
Payments to employees and vendors	(519,092)	-	(519,092)	(446,974)
Interest received	24,841	-	24,841	30,665
Net assets released from restrictions	25,857	(25,857)	-	-
Net cash provided (used by) operating activities	<u>\$ 233,486</u>	<u>\$ (25,857)</u>	<u>\$ 207,629</u>	<u>\$ (32,866)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	\$ (8,831)	\$ -	\$ (8,831)	\$ (5,809)
Purchase of securities	(238)	(2,654)	(2,892)	(578,499)
Sale of securities	8,902	337,012	345,914	344,015
Net cash provided (used by) investing activities	<u>\$ (167)</u>	<u>\$ 334,358</u>	<u>\$ 334,191</u>	<u>\$ (240,293)</u>
CASH FLOWS FROM FINANCING ACTIVITIES -				
Cash contributions for long-term purposes	\$ -	\$ 16,375	\$ 16,375	\$ 18,467
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS & RESTRICTED CASH	\$ 233,319	\$ 324,876	\$ 558,195	\$ (254,692)
CASH AND CASH EQUIVALENTS & RESTRICTED CASH AT BEGINNING OF YEAR	<u>347,176</u>	<u>445,801</u>	<u>792,977</u>	<u>1,047,669</u>
CASH AND CASH EQUIVALENTS & RESTRICTED CASH AT END OF YEAR	<u>\$ 580,495</u>	<u>\$ 770,677</u>	<u>\$ 1,351,172</u>	<u>\$ 792,977</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 242,146	\$ 177,321	\$ 419,467	\$ (134,872)
Adjustment to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	\$ 37,679	\$ -	\$ 37,679	\$ 37,236
Stock donation	-	-	-	(5,242)
Contributions for long-term purposes	-	(16,375)	(16,375)	(18,467)
Realized (gain) loss on sale of securities	(7,920)	(81,062)	(88,982)	(24,625)
Unrealized (gain) loss on market value fluctuation	(36,882)	(105,741)	(142,623)	112,476
(Increase) decrease in prepaid expenses	(1,033)	-	(1,033)	-
Increase (decrease) in accounts payable	(504)	-	(504)	628
Total adjustments	<u>\$ (8,660)</u>	<u>\$ (203,178)</u>	<u>\$ (211,838)</u>	<u>\$ 102,006</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 233,486</u>	<u>\$ (25,857)</u>	<u>\$ 207,629</u>	<u>\$ (32,866)</u>

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021

Exhibit E

NOTE 1 - DESCRIPTION OF ORGANIZATION

The mission of the Humanitarian Service Project is to alleviate the pain and suffering that poverty brings to needy seniors and children living in DuPage and Kane Counties, Illinois, without discrimination or exclusion for any reason through various activities such as Christmas Offerings, Children's and Senior Citizen projects.

The Humanitarian Service Project is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable State laws and contributions to it are tax deductible within limitations prescribed by the Code. The Humanitarian Service Project has been classified by the I.R.S. as an organization that is not a private foundation within the meaning of Section 509(A)(1).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Boards in its Statement of Financial Accounting Standard (SFAS) No. ASU No 2016-14, Financial Statements of Not-for-Profit Organizations. Under those provisions, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- A. Without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Items that effect this net asset category principally consist of contributions and grants that have no restrictions.
- B. With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by the actions of the Organization or the passage of time. Items that effect this net asset category are contributions and grants for which donor-imposed restrictions have not been met in the year of receipt, including contributions and grants for buildings and equipment not yet placed in service; endowment contributions; and investment returns on “true” endowment funds, and endowments where the principal maybe expended upon the passage of a stated period of time (term endowments). Expirations of restrictions on net assets with donor restriction, including reclassification of restricted contributions and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions.

Contributions and Grants

Gifts of cash and other assets received without donor stipulations are reported as support and net assets without donor restrictions and are recorded as income when received. Gifts received with a donor stipulation that limits their use are reported as support and net assets with donor restrictions and are recorded as income when received. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as support and net assets without donor restrictions.

Grants are either classified as a contribution if no commensurate value is given to the grantor or as an agency transaction (contract) if commensurate value is given to the grantor. All our grants are considered contributions, as no commensurate value is exchanged with the grantor.

Grants are then classified as unconditional or conditional contributions. An unconditional contribution is a contribution without conditions and is recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. A conditional contribution is a contribution that contains a donor-imposed condition, a barrier that has to be overcome before the recipient is entitled to the assets transferred or promised. These contributions are accounted for as a liability until the barriers to entitlement are overcome. All of our grants are considered unconditional contributions because none of them have donor-imposed conditions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Functional Allocation of Expenses

The cost of providing the various programs and supporting activities of the Organization have been summarized on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated on a basis of estimates of time and effort; building occupancy and utilities which are allocated on a square-footage basis; depreciation which is allocated on a basis of square-footage and usage of asset; supplies, telephone, postage and mailing, voluntary development, and miscellaneous expense which are allocated on a basis of estimated activity; small equipment/software, printing/mailling/copying, advertising, and internet website which are allocated on a basis of estimated usage; and insurance which is allocated on an estimated coverage basis.

Cash and Cash Equivalents

For purposes of reporting cash flows, the cash equivalents include all checking, money market, NOW accounts, and certificates of deposit that mature in one year or less. Cash equivalents purchased with endowment funds are classified as long-term investments under noncurrent assets.

At various times during the year, the Organization's cash in bank balance may have exceeded the federally insured limit of \$250,000. The Organization's bank balances totaled \$503,315. The Organization's uninsured balances were \$63,791.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income restricted by a donor is reported as an increase in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income is needed.

Land, Buildings, Equipment and Depreciation

Acquisitions of property and equipment generally in excess of \$2,000 are capitalized. Depreciation of exhaustible plant and equipment records at cost is provided over the estimated useful lives of the assets using the straight-line method. Depreciation expense for the year ended March 31, 2021 was \$37,679 compared to \$37,236 for 2020. No assets were pledged or subject to lien.

Any equipment that is donated is recorded at the approximate fair value of the asset at the date of donation.

Donated Goods and Service

Noncash donations are recorded as contributions at the approximate fair value of the asset at the date of donation. During the year, \$620,752 were received in various donated goods.

The Organization has hundreds of individuals who volunteer their time and perform a variety of tasks that assist the Organization with their projects and administrative work. The Organization estimated that they received more than 2,259 - volunteer hours for the year. The hourly rate used for the report was \$18.00/hour. Total hourly services equaled \$40,665. There was also a \$2,800 pro bono accounting service that was included in professional services. Total donated services equaled \$43,465.

Donated Securities

Donated securities are recorded at the approximate market value of the security at the date of donation. During the year, there were no donated securities.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021

Exhibit E
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Interest Expense

Total interest expense for the year ended March 31, 2021 and 2020 was \$ -0- and \$ -0-, respectively. Total interest capitalized during the year ended March 31, 2021 and 2020, was -0- and \$ -0-, respectively.

Liquidity and Availability

Financial assets available for general expenditure that is without donor or other restrictions limiting their use, within one year of March 31, 2021 and 2020 comprise the following:

	<u>2021</u>	<u>2020</u>
Total financial assets	\$2,059,386	\$1,611,576
Prepaid expenses	(1,033)	-
Donor-imposed restrictions	<u>(1,178,948)</u>	<u>(1,001,627)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 879,405</u>	<u>\$ 609,949</u>

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range or financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations, if any, will be discharged.

Endowment Funds

The Humanitarian Service Project's (HSP) Net Assets with Donor Restrictions consists of endowment funds for the purpose of sustaining the Senior Citizen and the Children's Project. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of HSP has interpreted the Uniform Prudent Management Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, HSP classifies as Net Assets with Donor Restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the donor gift instrument at the time the accumulation is added to the fund.

Investment Return Objectives, Risk Parameters, and Strategies: HSP has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are approved for investment in a diversified asset mix, which includes equity and debt securities as well as short term cash fund that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of up to 5%, while growing the funds if possible.

Spending Policy: HSP has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value of the prior 12 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, HSP considered long-term expected return on its investment assets, the nature and duration of the individual endowment funds, both of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents approximate fair value due to ease of liquidation of cash and short-term maturity of certificates of deposit. The carrying value of investments approximate fair value due to the use of quoted market prices and other relevant information generated by market transactions.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$580,495	\$580,495
Cash – restricted	770,677	770,677
Equity and fixed income securities	707,181	707,181

Compensated Absences

Compensated absences including vacation pay and other employee benefits are not accrued and included in the financial statements because the Organization does not believe the amount would be material to the financial statements in whole.

Comparative Information

The financial statements include certain prior-year end summarized information in total but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2020 from which the summarized financial information was derived.

NOTE 3 - GRANT INCOME

During the year, the Organization received a \$3,000 grant from the Dr. Scholl Foundation to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$10,000 grant from the Kott Memorial Trust to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$1,000 grant from the Bethany Lutheran Church to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$5,000 grant from the Andrew and Alice Fischer Trust to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a 40,692 grant from the DuPage County Treasurer of which \$35,000 was to be used for the Senior Citizen Project and \$5,692 was a Covid-19 grant to be used for Covid-19 related expenses. The funds were all spent during the year.

During the year, the Organization received an \$8,692 grant from Northeastern IL Area Agency on Aging to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$1,200 grant from the Wheaton Lions Charities to be used for the Senior Citizen Project. The funds were all spent during the year.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021

Exhibit E
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NOTE 3 - GRANT INCOME – continued:

During the year, the Organization received a \$4,000 grant from The Mulholland Family Foundation to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$1,000 grant from the Chaddick Foundation to be used for Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$2,500 grant from the Ecolab Foundation to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received an \$800 grant from the RJN Foundation to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$5,000 grant from the TCF National Bank to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$4,000 grant from the A. Montgomery Ward Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$15,000 grant from the Wakerly Family Foundation of which \$10,000 was to be used for the Children's Project and \$5,000 was to be used for general operations. The funds were all spent during the year.

During the year, the Organization received a \$5,000 grant from the International Paper Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$6,000 grant from the Grace Bersted Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$1,000 grant from the Dawn Carol Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$500 grant from the Batavia Mothers Club to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$1,500 grant from the DuPage Medical Group to be used for the Children's Project. The funds were all spent during the year.

During the year, the organization received a \$5,000 grant from the Pelino Charitable Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$2,500 grant from the EFS Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, The Organization received a \$7,000 grant from the DuPage Community Foundation to be used for general operations. The funds were all spent during the year.

During the year, the Organization received a \$115,000 grant from the Chicago Community Foundation to be used for general operations. The funds were all spent during the year.

During the year, the Organization received a \$1,750 grant from the Community Foundation of Fox River Valley to be used for general operations. The funds were all spent during the year.

HUMANITARIAN SERVICE PROJECT
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2021

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NOTE 3 - GRANT INCOME – continued:

During the year, the Organization received a \$25,000 Covid-19 grant from Metro Chicago to be used for Covid-19 related expenses. The funds were all spent during the year.

During the year, the Organization received a \$4,500 grant from Schwab Charitable to be used for general operations. The funds were all spent during the year.

Total grants received during the year was \$276,634. All of the grants were considered unconditional contributions without donor restrictions because all of the donor restrictions were satisfied during the year.

NOTE 4 - RESTRICTIONS ON NET ASSETS

Net Assets with Donor Restrictions consisted of the following at March 31, 2021 and 2020:

Endowments funds

The composition of and changes in donor-restricted endowments net assets as of and for the year ended March 31, 2021 and 2020, are as follows:

	2021	2020
Endowment net assets, beginning of year	\$1,001,627	\$1,064,132
Contributions	16,375	18,467
Realized gain (loss) on sale of securities	81,062	22,094
Net appreciation (depreciation)	105,741	(77,133)
Amounts appropriated for expenditure	(25,857)	(25,933)
Endowment net assets, end of year	<u>\$1,178,948</u>	<u>\$1,001,627</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31, 2021 and 2020 consist of the following:

	2021	2020
Cash and cash equivalents	\$ 580,495	\$347,176
Cash – restricted	770,677	445,801
Cash, cash equivalents, and restricted cash shown in the Statement of Cash Flows	<u>\$1,351,172</u>	<u>\$ 792,977</u>

Restricted cash represents cash received with a donor-imposed restriction that limits the use of that cash to the acquisition of endowments and for unused contributions and grants whose donor-imposed restrictions have not been met. Unless donor stipulations limit the use of the assets for a period of time or for a particular purpose, the donor-imposed restriction expires when the assets are placed in service in accordance with FASB ASC 958-205-45-12.

NOTE 6 - FORGIVEABLE MORTGAGE AND FOREGIVABLE NOTE

In 2006, the Humanitarian Service Project received a grant in the amount of \$421,730 provided by the DuPage Community Development Commission from the U.S. Department of Housing and Urban Development Block Grant Program for the purpose of purchasing the facility at 465 Randy Road in Carol Stream, Illinois. As a requirement of this grant, the Humanitarian Service Project has executed a Forgivable Mortgage and Forgivable Note for the term of twenty years. No payments are required on this Mortgage and Note unless the property at 465 Randy Road is disposed of before the expiration of time.

HUMANITARIAN SERVICE PROJECT
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2021

NOTE 7 - FAIR VALUE MEASUREMENTS

Fair value measurements for assets reported at fair value on a recurring basis were determined based on:

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level One)</u>	<u>Significant Other Observable Inputs (Level Two)</u>	<u>Significant Unobservable Inputs (Level Three)</u>
Long-term investments:				
Cash – restricted	<u>\$ 770,677</u>	<u>\$ 770,677</u>	<u>\$ -</u>	<u>\$ -</u>
Equity securities:				
Domestic	\$ 481,332	\$ 481,332	\$ -	\$ -
International	<u>51,603</u>	<u>51,603</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>\$ 532,935</u>	<u>\$ 532,935</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed income securities -				
Domestic	<u>\$ 174,246</u>	<u>\$ 174,246</u>	<u>\$ -</u>	<u>\$ -</u>
Total long-term investments	<u><u>\$1,477,858</u></u>	<u><u>\$1,477,858</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

NOTE 8 - PENSION PLAN

The Organization maintains a Simple IRA retirement plan. Full time employees are eligible to participate in the plan after two years of service. Employees can contribute to the retirement plan then the Organization will match up to three percent of the employee annual salary. Total pension expense for the year ended March 31, 2021 was \$2,165 and March 31, 2020 was \$2,094.

NOTE 9 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 19, 2021, the financial statement issuance date.