Sassetti

# Community Nutrition Network and Senior Services Association and Meals on Wheels Foundation of Northern Illinois

Single Audit

*September 30, 2024*

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

SEPTEMBER 30, 2024

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Board of Directors
Community Nutrition Network and Senior Services Association and
Meals on Wheels Foundation of Northern Illinois
North Riverside, Illinois

# INDEPENDENT AUDITORS' REPORT

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying consolidated financial statements of Community Nutrition Network and Senior Services Association and Meals on Wheels Foundation of Northern Illinois, (collectively the Agency), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Community Nutrition Network and Senior Services Association and Meals on Wheels Foundation of Northern Illinois as of September 30, 2024, and the changes in their consolidated net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 opinions.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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



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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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Additionally, the consolidating schedules on pages 19-22 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance

with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited the Community Nutrition Network and Senior Services Association and Meals on Wheels Foundation of Northern Illinois consolidated 2023 financial statements, and our report dated May 28, 2024, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year end September 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Sassetti LLC

Oak Brook, Illinois
May 14, 2025

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

SEPTEMBER 30, 2024, WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2023

| | 2024 | 2023 |
|---|---|---|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 2,354,077 | $ 2,992,476 |
| Investments | 1,813,227 | 1,600,376 |
| Receivables | 2,013,810 | 1,277,321 |
| Prepaid expenses | 10,599 | 4,442 |
| Right-of-use asset | 38,423 | 47,847 |
| Total Current Assets | 6,230,136 | 5,922,462 |
| Property and Equipment: | | |
| Leasehold improvements | 26,142 | 16,891 |
| Furniture and fixtures | 289,191 | 236,502 |
| Vehicles | 812,944 | 768,953 |
| | 1,128,277 | 1,022,346 |
| Less: Accumulated depreciation | 762,031 | 687,107 |
| Property and Equipment, net | 366,246 | 335,239 |
| Deposits | 5,501 | 5,501 |
| Total Assets | $ 6,601,883 | $ 6,263,202 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | $ 602,259 | $ 664,314 |
| Accrued expenses | 158,594 | 143,880 |
| Refundable advances | 31,965 | 39,060 |
| Lease liability, current portion | 26,650 | 25,744 |
| Total Current Liabilities | 819,468 | 872,998 |
| Long-term Liabilities: | | |
| Lease liability, long-term portion | 11,774 | 22,172 |
| Total Long-Term Liabilities | 11,774 | 22,172.00 |
| NET ASSETS | | |
| Without Donor Restrictions: | | |
| Operating | 3,868,471 | 3,715,990 |
| Board-designated | 1,837,977 | 1,618,451 |
| With Donor Restrictions | 64,193 | 33,591 |
| Total Net Assets | 5,770,641 | 5,368,032 |
| Total Liabilities and Net Assets | $ 6,601,883 | $ 6,263,202 |

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

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | Totals 2024 | Totals 2023 |
|---|---|---|---|---|
| REVENUES AND OTHER SUPPORT | | | | |
| Government grant revenue | $ 9,851,589 | $ - | $ 9,851,589 | $ 8,202,441 |
| Other contributions and grants | 1,187,924 | 166,745 | 1,354,669 | 1,463,833 |
| Project income | 563,616 | - | 563,616 | 519,750 |
| Contributed goods and services | 7,155 | - | 7,155 | - |
| Contributed rent | 285,852 | - | 285,852 | 304,659 |
| Investment return, net | 219,526 | - | 219,526 | 100,731 |
| Miscellaneous income | 89,547 | - | 89,547 | - |
| Net assets released from restriction | 136,143 | (136,143) | - | - |
| Total Revenues and Other Support | 12,341,352 | 30,602 | 12,371,954 | 10,591,414 |
| EXPENSES | | | | |
| Program services | 10,926,312 | - | 10,926,312 | 9,412,544 |
| Administrative and management | 549,207 | - | 549,207 | 470,907 |
| Fundraising | 493,826 | - | 493,826 | 620,742 |
| Total Expenses | 11,969,345 | - | 11,969,345 | 10,504,193 |
| CHANGE IN NET ASSETS | 372,007 | 30,602 | 402,609 | 87,221 |
| NET ASSETS | | | | |
| Beginning of year | 5,334,441 | 33,591 | 5,368,032 | 5,280,811 |
| End of year | $ 5,706,448 | $ 64,193 | $ 5,770,641 | $ 5,368,032 |

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

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Program services | | | | | Total expenses | |
|---|---|---|---|---|---|---|---|
| | Congregate meals | Home delivered meals | Total program services | Administrative and management expenses | Fundraising | 2024 | 2023 |
| Personnel | $ 418,240 | $ 1,832,981 | $ 2,251,221 | $ 348,732 | $ 126,619 | $ 2,726,572 | $2,415,668 |
| Fringe benefits | 68,157 | 265,343 | 333,500 | 54,552 | 18,849 | 406,901 | 392,661 |
| Professional fees | 60,398 | 199,135 | 259,533 | 110,483 | 130,996 | 501,012 | 339,039 |
| Food and related expenses | 817,820 | 5,655,225 | 6,473,045 | 1,624 | - | 6,474,669 | 5,456,823 |
| Meal delivery | - | 261,630 | 261,630 | - | - | 261,630 | 214,715 |
| Travel | 10,392 | 24,487 | 34,879 | 808 | 21 | 35,708 | 34,370 |
| Contributions | - | 250 | 250 | - | - | 250 | - |
| Direct mail campaign | - | - | - | 25 | 183,079 | 183,104 | 362,259 |
| Dues and subscriptions | 1,041 | 4,047 | 5,088 | 1,408 | - | 6,496 | 5,269 |
| Equipment and repairs | 1,221 | 4,691 | 5,912 | 98 | - | 6,010 | 5,311 |
| General insurance | 4,688 | 17,600 | 22,288 | 4,664 | - | 26,952 | 27,399 |
| Occupancy | 19,135 | 99,299 | 118,434 | 12,716 | 8,994 | 140,144 | 143,345 |
| Contributed rent | 159,482 | 126,370 | 285,852 | - | - | 285,852 | 304,659 |
| Other expenses | 3,089 | 16,999 | 20,088 | 590 | 12,977 | 33,655 | 26,408 |
| Outreach | 103,663 | 241,261 | 344,924 | 766 | 1,012 | 346,702 | 380,247 |
| Supplies | 141,403 | 154,242 | 295,645 | 9,327 | 10,632 | 315,604 | 212,477 |
| Telephone | 6,685 | 26,028 | 32,713 | 1,072 | 647 | 34,432 | 36,426 |
| Training and education | 6,532 | 25,292 | 31,824 | 1,078 | - | 32,902 | 21,611 |
| Depreciation | 15,764 | 133,722 | 149,486 | 1,264 | - | 150,750 | 125,506 |
| Total expenses | $ 1,837,710 | $ 9,088,602 | $ 10,926,312 | $ 549,207 | $ 493,826 | $ 11,969,345 | $ 10,504,193 |

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

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2024, WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | 2024 | 2023 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | $ 402,609 | $ 87,221 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Depreciation | 150,750 | 125,506 |
| Noncash lease expense | 38,709 | 38,317 |
| Realized/unrealized gain on investments | (172,045) | (82,207) |
| (Increase) decrease in operating assets: | | |
| Receivables | (736,489) | 522,427 |
| Prepaid expenses | (6,157) | 7,611 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (62,055) | 31,867 |
| Accrued expenses | 14,714 | 27,955 |
| Refundable advances | (7,095) | (60,017) |
| Operating lease liability | (38,777) | (38,248) |
| Net Cash (Used in) Provided by Operating Activities | (415,836) | 660,432 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (183,527) | (109,443) |
| Disposal of property and equipment | 1,770 | - |
| Purchases of securities | (40,806) | (977,048) |
| Net Cash Used in Investing Activities | (222,563) | (1,086,491) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (638,399) | (426,059) |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of year | 2,992,476 | 3,418,535 |
| End of year | $ 2,354,077 | $ 2,992,476 |
| NON-CASH OPERATING ACTIVITIES: | | |
| ROU assets obtained in exchange for operating lease liabilities | $ 27,616 | $ 83,437 |

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

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Community Nutrition Network and Senior Services Association (CNN) is a nonprofit organization that operates Congregate and Home Delivered Meal Programs and a Senior Center Program in suburban Cook (outside of the City of Chicago), Will, Kendall and Grundy Counties under contracts and grants with AgeOptions and AgeGuide. The meal programs are regulated under the Older Americans Act, Title III, Special Programs for the Aging, as administered by the U.S. Department of Health and Human Services. The programs provide eligible persons with nutritious meals in a congregate setting or delivered to the home, appropriate nutrition education and general health and wellness services.

Meals on Wheels Foundation of Northern Illinois (the Foundation) is a not-for-profit organization created to increase public awareness of the services provided by CNN.

The Foundation's purpose is to gain support for the funding of home delivery of meals to suburban Cook, Will, Grundy, and Kendall County, Illinois seniors and to assist CNN with the expansion of all needed services to low-income seniors in Cook, Will, Grundy, and Kendall County, Illinois.

The Foundation's main activity is fundraising, which enables the Foundation to obtain the charitable donations and other funding that are the Foundation's main sources of revenue.

Basis of Presentation - These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of CNN and the Foundation (collectively, the Agency) after eliminations of all intercompany account transactions.

Classification of Net Assets - Under generally accepted accounting principles (GAAP), the Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. The net assets of the Agency are reported in the two self-balancing groups as follows:

Net Assets without Donor Restriction: Net assets without donor restriction are for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which make them unavailable for use at management's discretion.

Net Assets with Donor Restriction: Net assets with donor restriction consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Agency reports gifts of cash and other assets as revenue with donor restriction 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, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law. As of September 30, 2024, there were $64,193 in donor restricted net assets.

Comparative Financial Statement Disclosure - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. 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 Agency's financial statements for the year ended September 30, 2023, from which the summarized information was derived.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Agency considers all short-term investments with maturities of three months or less when purchased to be cash equivalents.

Inventories - Food and supplies are recorded as expenses when purchased. Inventories on hand at September 30, 2024 were not material and have not been recorded.

Investments - Under generally accepted accounting principles, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized gains and losses are included in the change in net assets.

Property and Equipment - Property and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets, generally from 5-40 years.

CNN and the Foundation follow the practice of capitalizing all expenditures for property, furniture, fixtures, and office equipment in excess of $2,000 and a useful life greater than one year.

Leases - The Agency determines if an arrangement is or contains a non-cancelable lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term at the commencement date.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As most leases do not provide an implicit rate, the Foundation has elected to use a risk-free borrowing rate based on the information available at the commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

As allowed under the standard, the Agency has elected not to apply the standard to short-term leases of 12 months or less. Short-term leases are expensed straight-line over the lease term.

Refundable Advances - CNN's contract with AgeOptions and AgeGuide allows CNN to collect voluntary meal donations (project income) from both congregate and home delivered meal participants. The amount collected is reported to and monitored by AgeOptions and AgeGuide.

Funding from AgeOptions and AgeGuide is generally determined at the beginning of the fiscal period and then paid out monthly. In the event CNN does not fully expend funds provided or excess program or in-kind are used to reduce the funding from AgeOptions or AgeGuide, CNN recognizes a liability in the amount that is to be refunded to the grantor or that may be spent during the next fiscal year (with approval from the grantor). Refundable advances related to unexpended funds at September 30, 2024 totaled $31,965.

Recently Adopted Accounting Pronouncements - In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial

Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This standard replaces the incurred loss methodology and is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses. The new standard was adopted on October 1, 2023 and had no material impact on the financial statements.

Revenue Recognition - The Agency receives support and revenue from various funding sources in order to support their programs. Grants may be recognized as revenue either when received or based on a cost-reimbursement methodology as stated in the grant agreement, depending on whether it is determined to be conditional or unconditional. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions/barriers on which they depend are substantially met.

Unconditional promises to give are recognized as revenues in the period received. All contributions are available for unrestricted use unless explicit donor stipulations specify how or when the contributions may be used. Unconditional promises to give due in subsequent years are reported at the present value of their estimated future cash flows, using risk adjusted interest rates applicable to those years in which the promises are to be received. Contributions of financial assets other than cash are recorded at their estimated fair value. Management assesses the collectability of promises to give based on historical results and current market conditions.

Receivables - Receivables consist of government and state grants, private grants, and other unconditional receivables that are carried at original pledge, invoice, or voucher amount. Management monitors the collection of pledges and grant receivables on a monthly basis and amounts are written off when deemed uncollectible. Unconditional promises/pledges to give are recognized as revenue in the period pledged at their present value. Recoveries of receivables previously written off are recorded when received. No allowance for doubtful accounts was deemed necessary by management at September 30, 2024.

Non-Cash Contributions – To calculate the value of donated services or space, a rate at or below the current market rate is used, see discussion at Note 8. Contributed goods are recorded at fair value at the date of donation. During the year ended September 30, 2024

$7,155 of goods and services were received in the form of food donations and auto repair. CNN receives voluntary assistance from participants in the Congregate and Home Delivered Meal Programs. Volunteers serve as drivers, hostesses, food servers and aides. CNN estimates over 55,000 hours have been donated for the year ended September 30, 2024. No amounts related to these hours have been recognized in the consolidated financial statements because the services do not meet the criteria for recognition under generally accepted accounting principles as they do not require specialized skills.

Income Tax Status - CNN and the Foundation are exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). However, organizations which are exempt may be subject to unrelated business income taxes when an organization generates revenues from activities which are unrelated to the exempt purpose of the organization. Management believes CNN and the Foundation have no unrelated business income for the year ended September 30, 2024. CNN and the Foundation's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

Use of Accounting 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 and the 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.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to each function based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to the programs based on an analysis of personnel time and a ratio of direct salaries to total salaries.

## 2. CONCENTRATIONS

During the year ended September 30, 2024, the revenue received from AgeOptions and AgeGuide accounted for approximately 80% of total revenue and other support and 96% of receivables. These grants provide that CNN will be reimbursed for a portion of the costs associated with eligible meals served or delivered.

CNN and the Foundation maintain cash balances at several financial institutions which, at times, may exceed federally insured limits. CNN and the Foundation believe they are not exposed to any significant risk on cash and cash equivalents.

## 3. INVESTMENTS

Investment securities are exposed to various risks including interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the amounts reported in the Consolidated Statement of Financial Position.

Investment return consists of the following components for the year ended September 30, 2024:

| | | |
|---|---|---|
| Interest income | $ | 5,057 |
| Dividend income | | 42,424 |
| Unrealized and realized gains | | 172,045 |
| | $ | 219,526 |

## 4. FAIR VALUE MEASUREMENTS

GAAP establishes a fair value hierarchy that requires the Agency to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring the fair value of certain items.

A financial instrument's categorization within the fair value hierarchy is based upon the lowest of input that is significant to the fair value measurement. GAAP establishes three levels of inputs that may be used to measure fair value:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or dissimilar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are no changes in valuation methodologies used at September 30, 2024.

Fair values for equities, including U.S. Treasury notes are determined by reference to quoted market prices and other relevant information generated by active market transactions. The U.S. Treasury note has an original maturity date that is greater than 90 days.

The following tables present assets measured at fair value on a recurring basis as of September 30, 2024:

| | Fair Value Measurements Using Input Type | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Exchange traded funds | $ 1,770,395 | $ - | $ - | $1,770,395 |
| U.S. Treasury note | 42,832 | - | - | 42,832 |
| | $ 1,813,227 | $ - | $ - | $1,813,227 |

5. RECEIVABLES

The following table presents the consolidated accounts receivable balance detail at September 30, 2024:

| | |
|---|---|
| Due from AgeOptions | $ 1,400,381 |
| Due from AgeGuide | 536,837 |
| Other receivables | 76,592 |
| Total receivables | $ 2,013,810 |

Receivables are reported at the amount management expects to collect on balances outstanding at September 30, 2024. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are not expected to be collected.

## 6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Agency typically operates on a consistent annual cycle, with known recurring expenditures that include payroll, fringe benefits, food costs, and rent, as a result of fulfilling the Agency's mission. Due to the general predictability of its annual operations, the Agency is able to structure its financial assets to be available as general expenditures, liabilities and other obligations come due.

The Agency's financial assets available for general expenditure within one year of the statement of financial position date of September 30, 2024, are as follows:

| | |
|---|---|
| Financial Assets | |
| Cash and cash equivalents | $ 2,354,077 |
| Investments | 1,813,227 |
| Receivables | 2,013,810 |
| Total financial assets available within one year | 6,181,114 |
| Less: | |
| Amount subject to board designation | (1,837,977) |
| Amount subject to donor restrictions | (64,193) |
| Total net assets subjected to restriction | (1,902,170) |
| Total financial assets available to management for general expenditure within one year | $ 4,278,944 |

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

## 7. RETIREMENT PLAN

CNN has an employee 403(b) plan which benefits all employees. Participation is voluntary and all employees who meet prescribed service requirements are eligible to defer up to the IRS limit. CNN matches the lesser of 2% of the employee's salary or 50% of each employee's salary deferral, or may provide a discretionary match. A total of $28,610 was contributed as an employer match during the year ended September 30, 2024. Retirement plan related expenses are included within fringe benefits on the consolidated statement of functional expenses.

## 8. CONTRIBUTED RENT

During the fiscal year ended 2024, the Agency received donated rent from various lessors for space throughout its service area to host congregate dining or space to prepare home delivered meals. The value of contributed rent is based on the market value per square foot charged for similar space in similar areas, or the difference between the below-market rent charged and the market value of that space. Contributed rent is allocated between the programs based on the approximate amount of space the program occupies.

The total amount of contributed rent and the programs benefited as of September 30, 2024 is as follows:

| | Congregate meals | Home delivered meals | Total |
|---|---|---|---|
| Contributed rent | $ 159,482 | $ 126,370 | $ 285,852 |

## 9. LEASE COMMITMENTS

CNN leases facilities for its senior nutrition programs from various sources. The terms of the leases are short-term and provide for annual renewals. Generally, these leases provide for the reimbursement of expenses related to the lease of a space at a stated monthly rate. CNN also rents space at various other locations under cancelable agreements that provide that should the Agency lose funding, the lease may be terminated without penalty.

*North Riverside Office* – Effective January 2019, the Agency signed a lease for space for the administrative offices in North Riverside. The lease runs through April 30, 2025 with rental payments of $2,278 to $2,346 over the life of the lease. Subsequent to year end, this lease agreement was extended through April 30, 2026 with monthly rental payments of $2,346. Rent expense for the year ended September 30, 2024 totaled $27,678.

*Grundy* – CNN has a one-year lease with Grundy commencing on January 1st, that renews annually unless cancelled by either party, with monthly rental payments for fiscal year 2024 of $1,779. Rent expense for the year ended September 30, 2024 totaled $21,348.

*Joliet* – CNN entered a lease in April 2020 through September 30, 2023, which was extended through September 30, 2024 during the fiscal year, for space within Senior Services of Will County at $120 per month. This lease was converted to a month-to-month lease at the same

rate subsequent to year end. Rent expense for the year ended September 30, 2024 totaled $1,440.

*Joliet/Larkin* – Effective September 2020, CNN signed a lease for office space in Joliet that runs from October 1, 2020 through October 31, 2023 at $925 per month. During the fiscal year, CNN extended the lease through October 31, 2026. Rent expense for the year ended September 30, 2024 totaled $11,100.

Future minimum rental payments under noncancelable leases are as follows:

| | | |
|---|---|---|
| 2025 | $ | 32,861 |
| 2026 | | 11,100 |
| 2027 | | 925 |
| Total undiscounted cash flows | | 44,886 |
| Less: present value discount | | (6,462) |
| Total lease liabilities | | 38,424 |

| | |
|---|---|
| Weighted-average remaining lease term in years for operating leases | 1.45 |
| Weighted-average discount rate for operating leases | 4.25% |

## 10. BOARD DESIGNATED NET ASSETS

The Foundation raises funds to support the mission of CNN. In order to better support this mission, the Foundation's Board of Directors designates certain funds for the benefit of CNN. At September 30, 2024, board designated funds totaled $1,837,977.

## 11. COMMITMENTS AND CONTINGENT LIABILITIES

CNN has received significant financial assistance from federal and state agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits become a liability of CNN. There were no such audits or related disallowed claims for the year ended September 30, 2024, however refundable advances that are not spent down may require repayment.

## 12. CONDITIONAL GRANTS

Conditional grants are grants which state a specific constraint or set of constraints be met before the grant can be considered earned. Therefore, conditional grants are not recorded in revenue until the condition of the grant is met (generally, when the service is provided). The

Organization has conditional grants of approximately $1,000 from agencies to provide senior meal services. These grants are available to be used during fiscal year 2025 on qualifying expenses.

## 13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2024 are restricted for the following:

| | |
|---|---|
| For use in Kendall County | $ 14,419 |
| For use in Will County | 10,875 |
| For use in Grundy County | 33,836 |
| For use in Leyden Township | 2,719 |
| Research | 2,344 |
| | $ 64,193 |

## 14. SUBSEQUENT EVENT

Effective March 31, 2025, Meals on Wheels Foundation merged into CNNSSA. As of the merger date, CNNSSA began doing business as (dba) Meals on Wheels for Northern Illinois. The purpose of this merger agreement was to simplify administrative functions between the multiple entities. There is no material financial impact as a result of this merger when compared to the consolidated financial reports.

# Consolidating Supplemental Schedules

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

SEPTEMBER 30, 2024

| | Community Nutrition Network | Meals on Wheels Foundation | Eliminations | Consolidated |
|---|---|---|---|---|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | $ 161,377 | $ 2,192,700 | $ - | $ 2,354,077 |
| Investments | - | 1,813,227 | - | 1,813,227 |
| Receivables | 2,002,935 | 110,851 | (99,976) | 2,013,810 |
| Prepaid expenses | 7,499 | 3,100 | - | 10,599 |
| Right-of-use asset | 38,423 | - | - | 38,423 |
| Due to / Due from, net | 1,038 | - | (1,038) | - |
| Total Current Assets | 2,211,272 | 4,119,878 | (101,014) | 6,230,136 |
| Property and Equipment: | | | | |
| Leasehold improvements | 26,142 | - | - | 26,142 |
| Furniture and fixtures | 280,557 | 8,634 | - | 289,191 |
| Vehicles | 764,257 | 48,687 | - | 812,944 |
| | 1,070,956 | 57,321 | - | 1,128,277 |
| Less: Accumulated depreciation | 704,710 | 57,321 | - | 762,031 |
| Property and Equipment, net | 366,246 | - | - | 366,246 |
| Deposits | 5,501 | - | - | 5,501 |
| Total Assets | $ 2,583,019 | $ 4,119,878 | $ (101,014) | $ 6,601,883 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | $ 660,963 | $ 41,272 | $ (99,976) | $ 602,259 |
| Accrued expenses | 158,594 | - | - | 158,594 |
| Refundable advances | 31,965 | - | - | 31,965 |
| Lease liability, current portion | 26,650 | - | - | 26,650 |
| Due to / Due from, net | - | 1,038 | (1,038) | - |
| Total Current Liabilities | 878,172 | 42,310 | (101,014) | 819,468 |
| Long-Term Liabilities: | | | | |
| Lease liability, long-term portion | 11,774 | - | - | 11,774 |
| Total long-term liabilities | 11,774 | - | - | 11,774 |
| NET ASSETS | | | | |
| Without Donor Restrictions | | | | |
| Operating | 1,644,818 | 2,223,653 | - | 3,868,471 |
| Board-designated | - | 1,837,977 | - | 1,837,977 |
| With Donor Restrictions | 48,255 | 15,938 | - | 64,193 |
| Total Net Assets | 1,693,073 | 4,077,568 | - | 5,770,641 |
| Total Liabilities and Net Assets | $ 2,583,019 | $ 4,119,878 | $ (101,014) | $ 6,601,883 |

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

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024

| | Community Nutrition Network | | Meals on Wheels Foundation | | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Without Donor Restrictions | With Donor Restrictions | Eliminations | Consolidated |
| REVENUES AND OTHER SUPPORT | | | | | | |
| Government grant revenue | $ 9,851,589 | $ - | $ - | $ - | $ - | $ 9,851,589 |
| Other contributions and grants | 610,123 | 86,000 | 1,172,301 | 80,745 | (594,500) | 1,354,669 |
| Project income | 563,616 | - | - | - | - | 563,616 |
| Contributed rent | 285,852 | - | - | - | - | 285,852 |
| Contributed goods and services | 7,155 | - | - | - | - | 7,155 |
| Investment return, net | - | - | 219,526 | - | - | 219,526 |
| Miscellaneous income | 89,547 | - | - | - | - | 89,547 |
| Management fee | 228,285 | - | - | - | (228,285) | - |
| Net assets released from restrictions | 56,164 | (56,164) | 79,979 | (79,979) | - | - |
| Total Revenues and Other Support | 11,692,331 | 29,836 | 1,471,806 | 766 | (822,785) | 12,371,954 |
| EXPENSES | | | | | | |
| Program services | 10,919,955 | - | 600,887 | - | (594,530) | 10,926,312 |
| Administrative and management | 463,283 | - | 156,174 | - | (70,250) | 549,207 |
| Fundraising | 157,849 | - | 493,982 | - | (158,005) | 493,826 |
| Total Expenses | 11,541,087 | - | 1,251,043 | - | (822,785) | 11,969,345 |
| CHANGE IN NET ASSETS | 151,244 | 29,836 | 220,763 | 766 | - | 402,609 |
| NET ASSETS | | | | | | |
| Beginning of year | 1,493,574 | 18,419 | 3,840,867 | 15,172 | - | 5,368,032 |
| End of year | $ 1,644,818 | $ 48,255 | $ 4,061,630 | $ 15,938 | $ - | $ 5,770,641 |

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

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

SCHEDULE OF FUNCTIONAL EXPENSES - CNNSSA

YEAR ENDED SEPTEMBER 30, 2024

| | Community Nutrition Services and Senior Services Association | | | | | |
|---|---|---|---|---|---|---|
| | Program services | | | | | |
| | Congregate meals | Home delivered meals | Total program services | Administrative and management expenses | Fundraising | Total expenses |
| Personnel | $ 418,240 | $ 1,832,981 | $ 2,251,221 | $ 348,732 | $ 126,619 | $ 2,726,572 |
| Fringe benefits | 68,157 | 265,343 | 333,500 | 54,552 | 18,849 | 406,901 |
| Professional fees | 60,398 | 199,135 | 259,533 | 33,583 | 1,627 | 294,743 |
| Food and related expenses | 817,820 | 5,655,225 | 6,473,045 | 1,624 | - | 6,474,669 |
| Meal delivery | - | 261,630 | 261,630 | - | - | 261,630 |
| Travel | 10,392 | 24,394 | 34,786 | 188 | 21 | 34,995 |
| Direct mail campaign | - | - | - | - | - | - |
| Dues and subscriptions | 1,041 | 4,047 | 5,088 | 497 | - | 5,585 |
| Equipment and repairs | 1,221 | 4,691 | 5,912 | 98 | - | 6,010 |
| General insurance | 4,688 | 17,600 | 22,288 | 4,664 | - | 26,952 |
| Occupancy | 19,135 | 99,299 | 118,434 | 12,716 | 8,994 | 140,144 |
| Contributed rent | 159,482 | 126,370 | 285,852 | - | - | 285,852 |
| Other expenses | 3,089 | 11,699 | 14,788 | 267 | 1,037 | 16,092 |
| Outreach and marketing | 103,663 | 240,547 | 344,210 | 175 | 55 | 344,440 |
| Supplies | 141,403 | 154,242 | 295,645 | 3,343 | - | 298,988 |
| Telephone | 6,685 | 26,028 | 32,713 | 1,072 | 647 | 34,432 |
| Training and education | 6,532 | 25,292 | 31,824 | 508 | - | 32,332 |
| Depreciation | 15,764 | 133,722 | 149,486 | 1,264 | - | 150,750 |
| Total expenses | $ 1,837,710 | $ 9,082,245 | $ 10,919,955 | $ 463,283 | $ 157,849 | $ 11,541,087 |

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

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION AND
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

SCHEDULE OF FUNCTIONAL EXPENSES - MOWF

YEAR ENDED SEPTEMBER 30, 2024

| | Meals on Wheels Foundation of Northern Illinois | | | |
|---|---|---|---|---|
| | Program services - Home delivered meals | Administrative and management expenses | Fundraising | Total expenses |
| Professional fees | $ - | $ 76,900 | $ 129,369 | $ 206,269 |
| Management fee | 30 | 70,250 | 158,005 | 228,285 |
| Travel | 93 | 620 | - | 713 |
| Contributions | 594,750 | - | - | 594,750 |
| Direct mail campaign | - | 25 | 183,079 | 183,104 |
| Occupancy | - | - | - | - |
| Dues and subscriptions | - | 911 | - | 911 |
| Other expenses | 5,300 | 323 | 11,940 | 17,563 |
| Outreach and marketing | 714 | 591 | 957 | 2,262 |
| Supplies | - | 5,984 | 10,632 | 16,616 |
| Training and education | - | 570 | - | 570 |
| Depreciation | - | - | - | - |
| Total expenses | $ 600,887 | $ 156,174 | $ 493,982 | $ 1,251,043 |

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

# Single Audit Reporting

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2024.

| Federal Grantor/Pass-Through Grantor/Program Title | | Federal Assistance Listing Number | Pass Through Number | Passed Through to Subrecipients | Federal Expenditures |
|---|---|---|---|---|---|
| **U.S. Department of Health and Human Services:** | | | | | |
| Aging Cluster: | | | | | |
| Passed through Age Options: | | | | | |
| Special Programs for the Aging, | | | | | |
| Title III, Part C - Nutrition Services | * | 93.045 | N/A | $ - | $ 1,612,462 |
| Passed through Age Guide: | | | | | |
| Special Programs for the Aging, | | | | | |
| Title III, Part C - Nutrition Services | * | 93.045 | N/A | - | 961,669 |
| COVID-19 Title III, Part C - Nutrition Services | * | 93.045 | N/A | - | 783,262 |
| Nutrition Services Incentive Program | * | 93.053 | N/A | - | 175,996 |
| Total Aging Cluster | | | | - | 3,533,389 |
| Total federal expenditures | | | | $ - | $ 3,533,389 |

* Audited as a major program

See Notes to Schedule of Expenditures of Federal Awards

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2024

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Nutrition Network and Senior Services Association and Meals on Wheels Foundation of Northern Illinois under programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Community Nutrition Network and Senior Services Association and Meals on Wheels Foundation of Northern Illinois are collectively referred to as the “Agency”.

Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of the Agency. Pass-through entity identifying numbers are presented where available.

The Agency elected not to use the option of the 10% de minimis indirect cost rate.

**Basis of Accounting**

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Payments to Subrecipients**

The Agency provided no federal awards to sub-recipients during the year ended September 30, 2024.

**Non - Cash Assistance**

The Agency neither received nor disbursed federal awards in the form of non-monetary assistance during the year ended September 30, 2024.

**Insurance, Loans, and Loan Guarantees**

During the year ended September 30, 2024, the Agency received no insurance, loans, loan guarantees or other Federal assistance for the purpose of administering Federal programs.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Community Nutrition Network and Senior Services Association and
Meals on Wheels Foundation of Northern Illinois
North Riverside, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Nutrition Network and Senior Services Association and Meals on Wheels Foundation of Northern Illinois (collectively, the Agency), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 14, 2025.

**Report on Internal Control over Financial Reporting**
In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**
As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the



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financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sassetti LLC

May 14, 2025
Oak Brook, Illinois

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Community Nutrition Network and Senior Services Association and
Meals on Wheels Foundation of Northern Illinois
North Riverside, Illinois

**Report on Compliance for Each Major Federal Program**
We have audited Community Nutrition Network and Senior Services Association's (CNN) and Meals on Wheels Foundation of Northern Illinois's (the Foundation) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of CNN's and the Foundation's major federal programs for the year ended September 30, 2024. CNN's and the Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***
We have audited Community Nutrition Network and Senior Services Association's and Meals on Wheels Foundation of Northern Illinois' (the Agency) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended September 30, 2024. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program***
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that

material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sassetti LLC

May 14, 2025
Oak Brook, Illinois

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2024

## PART I - SUMMARY OF AUDITOR'S RESULTS

**Financial Statement Section**

| | | |
|---|---|---|
| Type of auditors' report issued: | Unmodified | |
| Internal control over financial reporting: | | |
| Material weakness (es) identified? | ____ Yes | X No |
| Significant deficiency (ies) identified not considered to be material weaknesses? | ____ Yes | X No |
| Noncompliance material to financial statements noted? | ____ Yes | X No |

**Federal Awards Section**

| | | |
|---|---|---|
| Dollar threshold used to determine Type A programs: | $750,000 | |
| Auditee qualified as low-risk auditee? | X Yes | ____ No |
| Type of auditor's report on compliance for major programs: | Unmodified | |
| Internal control over major programs: | | |
| Material weakness (es) identified? | ____ Yes | X No |
| Significant deficiency (ies) identified not considered to be material weaknesses? | ____ Yes | X No |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | ____ Yes | X No |

Identification of major programs:

| CFDA Numbers | Name of Federal Program or Cluster |
|---|---|
| 93.045/93.053 | Aging Cluster |

COMMUNITY NUTRITION NETWORK AND
SENIOR SERVICES ASSOCIATION
MEALS ON WHEELS FOUNDATION OF NORTHERN ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2024

## PART II - FINANCIAL STATEMENT AUDIT FINDINGS

NONE

## PART III - FEDERAL PROGRAM AUDIT FINDINGS

NONE

## PART IV - SUMMARY OF PRIOR AUDIT FINDINGS

NONE