

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

Financial Statements

June 30, 2018

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

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Chicago Fund on Aging and Disability
(d.b.a Meals on Wheels Chicago)

Report on the Financial Statements

We have audited the accompanying financial statements of The Chicago Fund on Aging and Disability d.b.a Meals on Wheels Chicago (the "Organization"), which comprise of the statement of financial position as of June 30, 2018, and the related statement of activities, 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.

The Chicago Fund on Aging and Disability
(d.b.a Meals on Wheels Chicago)
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chicago Fund on Aging and Disability d.b.a Meals on Wheels Chicago as of June 30, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on page 11 is presented for purposes of additional analysis and is 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
October 22, 2018

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Statement of Financial Position
June 30, 2018

ASSETS

Assets		
Cash and cash equivalents	\$	240,073
Contributions receivable		4,150
Prepaid expenses		10,645
Property and equipment, net		<u>2,177</u>
Total Assets	\$	<u><u>257,045</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$	35,245
Deferred revenue		<u>27,500</u>
Total Liabilities		62,745
Unrestricted Net Assets		<u>194,300</u>
Total Liabilities and Net Assets	\$	<u><u>257,045</u></u>

See Accompanying Notes to Financial Statements and
Independent Auditors' Report

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

Statement of Activities
For the Year Ended June 30, 2018

Public Support Revenue	
Individual contributions	\$ 252,448
Corporate and foundation grants	199,605
In-kind revenues - non special event related	36,960
	489,013
Special events revenue, including in-kind revenues of \$365,459	906,110
Less: direct costs	(581,904)
Special events revenue - net	324,206
Other income	5,002
Total Public Support Revenue	818,221
Expenses	
Program expenses	403,249
General and administrative expenses	149,928
Fundraising expenses	177,355
Total Expenses	730,532
Change in Net Assets	87,689
Net Assets - Beginning of Year	106,611
Net Assets - End of Year	\$ 194,300

See Accompanying Notes to Financial Statements and
Independent Auditors' Report

THE CHICAGO FUND ON AGING AND DISABILITY
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Statement of Cash Flows
For the Year Ended June 30, 2018

Cash Flows From Operating Activities:	
Change in net assets	\$ 87,689
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-	
Depreciation	2,935
(Increase) decrease in assets -	
Contributions receivable	20,850
Prepaid expenses	11,877
Increase (decrease) in liabilities -	
Accounts payable	(28,495)
Accrued expenses	(9,900)
Net Cash Provided by (Used in) Operating Activities	84,956
Cash Flows From Investing Activities:	
Purchase of property and equipment	-
Net Cash Provided by (Used in) Investing Activities	-
Net Increase in Cash and Cash Equivalents	84,956
Cash and Cash Equivalents - Beginning of Year	155,117
Cash and Cash Equivalents - End of Year	\$ 240,073

* * * * *

Supplemental Disclosure of Cash Flow Information -

Cash paid during the year for:

Interest	\$ -
Income taxes	\$ -

See Accompanying Notes to Financial Statements and
Independent Auditors' Report

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

Notes to the Financial Statements

June 30, 2018

Note A – Organization and Nature of Activities

The Chicago Fund on Aging and Disability d.b.a Meals on Wheels Chicago (the "Organization") was established by the Chicago Department of Aging and Disabilities in 1987 for the purpose of raising money to supplement limited public funds for critical in-home meal programs, and other services for the home-bound elderly and persons with disabilities in Chicago.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

Information regarding the financial position and activities of the Organization are reported in three classes of net assets as applicable: unrestricted, temporarily restricted, and permanently restricted. These classes of net assets are based on the existence or absence of externally (donor) imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted Net Assets – Unrestricted net assets are not subject to donor-imposed stipulations. They include all activities of the Organization as it currently does not receive any restricted resources. Board designated amounts are part of unrestricted net assets.
- Temporarily Restricted Net Assets – Temporarily restricted net assets are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Organization (purpose restrictions).
- Permanently Restricted Net Assets – Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income can be expended.

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Notes to the Financial Statements

June 30, 2018

Note B – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are considered to be highly liquid depository accounts with a maturity of less than one year. Deposits held in all non-interest bearing transactional bank accounts and interest-bearing accounts are aggregated by entity and are fully insured up to \$250,000.

Receivables and Allowance for Doubtful Accounts

Receivables are uncollateralized customer obligations. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance or, if unspecified, investigated to identify the appropriate invoice to which to apply the payment.

Management reviews all individual customer accounts receivable balances that exceed ninety (90) days from invoice date and based on the assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Based upon these reviews, management believed all accounts receivable to be fully collectible and, accordingly, no allowance for uncollectible accounts receivable is reflected in the accompanying financial statements.

Fixed Assets

Property and equipment are carried at cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over five years. The Organization generally capitalizes property and equipment expenditures over \$500.

Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements

June 30, 2018

Note B – Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions, including unconditional promises to give, are reported at fair value when received. All contributions are available for unrestricted use unless explicit donor stipulations specify how or when the contributions may be used. Unconditional promises to give due in subsequent years are reported at the present value of the estimated future cash flows, using risk-adjusted interest rates applicable to those years in which the promises are to be received. Contributions that are subject to donor-imposed restrictions that are met in the same year as the contributions are made are recognized and reported as unrestricted support and included in changes in unrestricted net assets.

Functional Allocation of Expenses

In the schedule of functional expenses, all expenses are allocated to the appropriate programs and supporting services on the basis of actual expense. Certain expenses that are joint among all programs are allocated evenly across all of the programs.

Note C - Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization files Form 990, Return of Organization Exempt from Income Tax with the Federal government. Management has determined that the Organization has no income tax liability as of June 30, 2018. The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2018. The Organization's 2014-2017 tax years are open for examination by the IRS. Should the Organization's tax-exempt status be challenged in the future, all years since inception could be subject to review by the IRS.

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Notes to the Financial Statements

June 30, 2018

Note D – Property and Equipment

Property and equipment consist of the following:

	<u>2018</u>
Furniture and fixtures	\$ 13,428
Less accumulated depreciation	<u>(11,251)</u>
Total Property and Equipment, net	<u>\$ 2,177</u>

Depreciation expense for the year ended June 30, 2018 was \$2,935.

Note E – Contributed Goods and Services

The Organization received the following goods and services for the year ended June 30, 2018 which is included in in-kind revenue in the statement of activities:

	<u>2018</u>
IT Services	\$ 20,000
Legal	11,960
Uber	<u>5,000</u>
Total Contributed Goods and Services	<u>\$ 36,960</u>

The Organization received contributions of goods and services for use in fundraising events throughout the year. The vendor usually provides the value of the contributions, but when not provided, the Organization estimates a value based on comparable services received or selling prices of goods.

The Organization received the following goods and services related to fundraising events for the year ended June 30, 2018:

	<u>2018</u>
Special events:	
Printing/Marketing	\$ 82,000
Chef/Liquor/Food	195,320
Raffle/Auction items	87,339
Other	<u>800</u>
Total Contributed Goods and Services	<u>\$ 365,459</u>

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Notes to the Financial Statements

June 30, 2018

Note E – Contributed Goods and Services (continued)

The contribution of goods and services in connection with fundraising events is included in special events revenue in the statement of activities.

Note F – Donated Services

Other than the amounts noted in Note E, there have been no amounts reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program and support service.

Note G – Leases

The Organization entered into a sublease agreement for office space beginning April 1, 2018 through March 30, 2020. The monthly rent is \$2,000 a month.

The estimated future minimum rental and lease obligation for the succeeding years in effect as of June 30, 2018 are as follows:

<u>Year Ended June 30,</u>	
2019	\$ 24,000
2020	<u>18,000</u>
	<u>\$ 42,000</u>

Note H - Conditional Promises to Give

The Organization received contributions from related parties through board member relationships totaling \$239,038 the year ended June 30, 2018.

Note I – Subsequent Events

Other than the matter above, the Organization has determined that no material events or transactions occurred subsequent to June 30, 2018 and through the date of the independent auditor's report, the date the financial statements were available for issuance, that would require adjustments to and/or additional disclosure to the financial statements.

SUPPLEMENTARY INFORMATION

THE CHICAGO FUND ON AGING AND DISABILITY
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Schedule of Functional Expenses
For the Year Ended June 30, 2018

	Program	General and Administrative	Fundraising	Direct Benefit to Donors	Total
Wages	\$ 29,786	\$ 71,487	\$ 97,301	\$ -	\$ 198,574
Employee benefits	2,367	5,680	7,732	-	15,779
Payroll taxes	2,149	5,158	7,021	-	14,328
Advertising	15,339	-	807	-	16,146
Credit card fees	-	655	5,894	-	6,549
Depreciation	-	2,935	-	-	2,935
Direct mail	-	-	14,975	-	14,975
Facilities	6,012	14,428	19,638	-	40,078
Insurance	880	2,112	2,874	-	5,866
Meals for people with disabilities	167,904	-	-	-	167,904
Meals for seniors	172,348	-	-	-	172,348
Legal	-	11,960	-	-	11,960
Office	1,389	3,333	4,536	-	9,258
Payroll fees	313	751	1,022	-	2,086
Professional fees	1,686	24,046	5,507	-	31,239
Special events -					
Celebrity chef	-	-	-	433,456	433,456
Chicago on Tap	-	-	-	89,986	89,986
Golf classic	-	-	-	56,367	56,367
Other	-	-	-	2,095	2,095
Telephone	624	1,498	2,038	-	4,160
Travel	1,003	2,408	3,278	-	6,689
Website	1,449	3,477	4,732	-	9,658
Total Expenses	403,249	149,928	177,355	581,904	1,312,436
Less: Expenses included with revenues in the Statement of Activities	-	-	-	(581,904)	(581,904)
Total Functional Expenses	\$ 403,249	\$ 149,928	\$ 177,355	\$ -	\$ 730,532

See Independent Auditors' Report