

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

Financial Statements

For the Six Months Ended June 30, 2017

**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, 2017, and the related statement of activities, and cash flows for the six-month period 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, 2017, and the results of its operations and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
December 5, 2017

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a MEALS ON WHEELS CHICAGO
Statement of Financial Position
June 30, 2017

ASSETS

Assets		
Cash and cash equivalents	\$	155,117
Contributions receivable		25,000
Prepaid expenses		22,522
Property and equipment, net		<u>5,112</u>
Total Assets	\$	<u><u>207,751</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$	63,740
Deferred revenue		<u>37,400</u>
Total Liabilities		101,140
Unrestricted Net Assets		<u>106,611</u>
Total Liabilities and Net Assets	\$	<u><u>207,751</u></u>

See Accompanying Notes and Independent Auditors' Report

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Statement of Activities
For the Six Months Ended June 30, 2017

Public Support Revenue	
Individual contributions	\$ 89,633
Corporate and foundation grants	81,273
In-kind revenues - non special event related	12,403
	<u>183,309</u>
Special events revenue, including in-kind revenues of \$65,690	210,590
Less: direct costs	<u>(121,426)</u>
Special events revenue - net	<u>89,164</u>
Other income	<u>2,256</u>
Total Public Support Revenue	<u>274,729</u>
Expenses	
Program expenses	119,600
General and administrative expenses	99,618
Fundraising expenses	119,093
Total Expenses	<u>338,311</u>
Change in Net Assets	(63,582)
Net Assets - Beginning of Year	<u>170,193</u>
Net Assets - End of Year	<u><u>\$ 106,611</u></u>

See Accompanying Notes and Independent Auditors' Report

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Statement of Cash Flows
For the Six Months Ended June 30, 2017

Cash Flows From Operating Activities:	
Change in net assets	\$ (63,582)
Adjustments to reconcile change in net assets to net cash provided by (used in) from operating activities-	
Depreciation	2,400
(Increase) decrease in assets -	
Contributions receivable	38,303
Prepaid expenses	(22,522)
Increase (decrease) in liabilities -	
Accounts payable	(1,694)
Accrued expenses	37,400
Net Cash Provided by (Used in) Operating Activities	(9,695)
Cash Flows From Investing Activities:	
Purchase of property and equipment	-
Net Cash Provided by (Used in) Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	(9,695)
Cash and Cash Equivalents - Beginning of Year	164,812
Cash and Cash Equivalents - End of Year	\$ 155,117

See Accompanying Notes and Independent Auditors' Report

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

Notes to the Financial Statements
For the Six Months Ended June 30, 2017

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. To better align the Organization’s financial reporting and budgeting with its seasonal donation and fundraising event calendar, on December 16, 2016, the Board of Directors decided to change the Organization’s fiscal year to July 1st through June 30th.

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.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements
For the Six Months Ended June 30, 2017

Note B – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and activities and the related disclosures at the date of the financial statements and during the reporting period. Actual results could 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
d.b.a. MEALS ON WHEELS CHICAGO

Notes to the Financial Statements
For the Six Months Ended June 30, 2017

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 recognizes the amount of taxes payable or refundable annually. Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax-basis carrying amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the enactment date occurs. A valuation allowance is provided for deferred tax assets if it is more likely than not that temporary differences will not be realized.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements
For the Six Months Ended June 30, 2017

Note C - Income Taxes (continued)

Effective January 1, 2009, the Organization adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The cumulative effect of this change in accounting principle had no effect on the Organization's financial statements. The FASB has determined that a non-profit organization asserting that it is tax exempt is an uncertain tax position challengeable by the IRS.

In assessing the recognition of deferred tax assets, management considers whether it is more likely than not that some portion of or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the period in which deferred tax assets are deductible, management believes it is more likely than not that the Organization would realize the benefits of deductible temporary differences, net of existing valuation allowances.

The Organization recognizes interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in the accompanying statement of activities.

The Organization did not experience a significant increase or decrease in the total amounts of unrecognized tax benefits during the six-month period ended June 30, 2017. Income tax returns filed by the Organization are subject to examination by tax authorities until November 15, 2020.

Management believes that the Organization has appropriate support for all positions taken on its tax returns and that the annual tax provision includes amounts sufficient to pay any assessments of tax, interest, and penalties. Nonetheless, any amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued for each year.

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, 2017.

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Notes to the Financial Statements
For the Six Months Ended June 30, 2017

Note D – Property and Equipment

Property and equipment consist of the following:

	2017
Furniture and fixtures	\$ 50,931
Less accumulated depreciation	(45,819)
Total Property and Equipment, net	\$ 5,112

Depreciation expense for the six-month period ending June 30, 2017 was \$2,400.

Note E – Contributed Goods and Services

The Organization received the following goods and services for the six-month period ending June 30, 2017 which is included in in-kind revenue in the statement of activities:

	2017
Service grant (consulting)	\$ 5,000
Legal	7,403
Total Contributed Goods and Services	\$ 12,403

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 six-month period ended June 30, 2017:

	2017
Special events:	
Décor/online promotion	\$ 32,416
Liquor/Food	11,193
Raffle items	15,411
Other	6,670
Total Contributed Goods and Services	\$ 65,690

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements
For the Six Months Ended June 30, 2017

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 lease agreement for office space beginning May 1, 2015 through April 30, 2018. The initial monthly rent will be \$3,090 and will escalate to \$3,359 a month by the end of the lease term.

The estimated future minimum rental and lease obligation for the succeeding years in effect as of June 30, 2017 are as follows:

<u>Year Ended June 30,</u>	
2018	\$ 33,590
	<hr/>
	\$ 33,590
	<hr/>

Note H - Conditional Promises to Give

The Organization received contributions from related parties through board member relationships totaling \$58,913 the six-month period ended June 30, 2017.

Note I – Subsequent Events

Other than the matter above, the Organization has determined that no material events or transactions occurred subsequent to June 30, 2017 and through the date of the independent auditors’ 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

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**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of The Chicago Fund on Aging and Disability d.b.a Meals on Wheels Chicago (the "Organization") as of and for the six-month period ended June 30, 2017, and our report thereon dated December 5, 2017, which expressed an unmodified opinion on those financial statements, appears on page 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Functional Expenses on page 13 is presented for purpose of additional analysis and are not a required part of the financial statements. The supplementary 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. Such 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 supplementary information on page 13 is fairly stated in all material respects in relation to the financial statements as a whole.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois,
December 5, 2017

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Schedule of Functional Expenses
For the Six Months Ended June 30, 2017

	Program	General and Administrative	Fundraising	Direct Benefit to Donors	Total
Wages	\$ 12,765	\$ 52,336	\$ 62,546	\$ -	\$ 127,647
Employee benefits	1,078	4,421	5,283	-	10,782
Payroll taxes	995	4,081	4,877	-	9,953
Contractors	365	1,497	1,789	-	3,651
Advertising	-	-	5,750	-	5,750
Credit card fees	-	569	5,118	-	5,687
Depreciation	-	2,400	-	-	2,400
Direct mail	-	-	7,544	-	7,544
Facilities	2,014	8,259	9,871	-	20,144
Home modification program	46,768	-	-	-	46,768
Insurance	171	699	835	-	1,705
Legal	-	7,403	-	-	7,403
Meals	52,285	-	-	-	52,285
Office	639	2,622	3,133	-	6,394
Payroll fees	118	482	576	-	1,176
Professional fees	1,000	9,100	4,900	-	15,000
Special events -					
Décor/online promotion	-	-	-	32,000	32,000
Food	-	-	-	31,693	31,693
Other	-	-	-	22,081	22,081
Permits/fees	-	-	-	30,406	30,406
Printing/graphics	-	-	-	5,246	5,246
Telephone	242	992	1,185	-	2,419
Travel	181	742	887	-	1,810
Website	979	4,015	4,799	-	9,793
Total Expenses	119,600	99,618	119,093	121,426	459,737
Less: Expenses included with revenues in the Statement of Activities	-	-	-	(121,426)	(121,426)
Total Functional Expenses	\$ 119,600	\$ 99,618	\$ 119,093	\$ -	\$ 338,311

See Independent Auditors' Report on Supplementary Information