

Midwest Council for Children with Disabilities

Financial Statements-September 30, 2018 and 2017

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Midwest Council for Children with Disabilities
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R, R, White & Associates, Ltd
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Midwest Council for Children with Disabilities

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of Midwest Council for Children with Disabilities, which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activity and changes in net assets, and cash flows for the years then ended, and statements of functional expenses and related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these cash basis financial statements in accordance with accounting principles generally accepted in the United States of America and as described in the accompanying notes to the financial statements; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 entities 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 the evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash basis financial position of Midwest Council for Children with Disabilities as of September 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Roselle, IL
December 14, 2018

R. R. White & Associates, Ltd.

MIDWEST COUNCIL FOR CHILDREN WITH DISABILITIES
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	\$ 377,825	\$ 407,817
Investments	105,542	105,427
Other Assets	-	315
Prepaid Expenses	<u>335</u>	<u>1,021</u>
TOTAL CURRENT ASSETS	<u>483,702</u>	<u>514,580</u>
FIXED ASSETS		
Software	1,590	1,590
Accumulated Depreciation	<u>(1,590)</u>	<u>(1,590)</u>
Net Fixed Assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 483,702</u>	<u>\$ 514,580</u>

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Accrued Expenses	\$ <u>3,500</u>	\$ <u>3,500</u>
TOTAL CURRENT LIABILITIES	<u>3,500</u>	<u>3,500</u>
NET ASSETS		
Unrestricted	<u>480,202</u>	<u>511,080</u>
TOTAL NET ASSETS	<u>480,202</u>	<u>511,080</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 483,702</u>	<u>\$ 514,580</u>

See Accompanying Notes to the Financial Statements

**MIDWEST COUNCIL FOR CHILDREN WITH DISABILITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED-SEPTEMBER 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND NET REVENUES FROM SPECIAL EVENTS	\$ 477,352	\$ -	\$ -	\$ 477,352
TOTAL PUBLIC SUPPORT AND NET REVENUES FROM SPECIAL EVENTS	477,352	-	-	477,352
INVESTMENT GAINS	428	-	-	428
TOTAL REVENUE	477,780	-	-	477,780
DIRECT EXPENSES				
Program services	-	-	-	-
Fund-raising	112,608	-	-	112,608
Management and General	-	-	-	-
TOTAL DIRECT EXPENSES	112,608	-	-	112,608
EXPENSES				
Program services	386,262	-	-	386,262
Fund-raising	-	-	-	-
Management and General	9,788	-	-	9,788
TOTAL EXPENSES	396,050	-	-	396,050
UNRELATED BUSINESS LOSS	-	-	-	-
CHANGES IN NET ASSETS	(30,878)	-	-	(30,878)
NET ASSETS BEGINNING OF YEAR	511,080	-	-	511,080
END OF YEAR	\$ 480,202	\$ -	\$ -	\$ 480,202

See Accompanying Notes to the Financial Statements

**MIDWEST COUNCIL FOR CHILDREN WITH DISABILITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED-SEPTEMBER 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND NET REVENUES FROM SPECIAL EVENTS	\$ 467,406	\$ -	\$ -	\$ 467,406
TOTAL PUBLIC SUPPORT AND NET REVENUES FROM SPECIAL EVENTS	467,406	-	-	467,406
INVESTMENT GAIN	331	-	-	331
TOTAL REVENUE	467,737	-	-	467,737
DIRECT EXPENSES				
Program services	140,624	-	-	140,624
Fund-raising	-	-	-	-
Management and general	-	-	-	-
TOTAL DIRECT EXPENSES	140,624	-	-	140,624
EXPENSES				
Program services	448,303	-	-	448,303
Fund-raising	-	-	-	-
Management and general	7,291	-	-	7,291
TOTAL EXPENSES	455,594	-	-	455,594
CHANGES IN NET ASSETS	(128,481)	-	-	(128,481)
NET ASSETS BEGINNING OF YEAR	639,561	-	-	639,561
END OF YEAR	\$ 511,080	\$ -	\$ -	\$ 511,080

See Accompanying Notes to the Financial Statements

**MIDWEST COUNCIL FOR CHILDREN WITH DISABILITIES
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED-SEPTEMBER 30, 2018**

	<u>Program Services</u>	<u>Fund- Raising</u>	<u>Management and General</u>	<u>Total</u>
DIRECT EXPENSES				
Fund Raising Activities	\$ -	\$ 112,609	\$ -	\$ 112,609
TOTAL DIRECT EXPENSES	\$ -	\$ 112,609	\$ -	\$ 112,609
OPERATING EXPENSES				
Contributions	\$ 386,262	\$ -	\$ -	\$ 386,262
Professional Fees	-	-	3,700	3,700
Insurance	-	-	1,962	1,962
Finance Charges	-	-	539	539
Office Expense	-	-	2,735	2,735
Postage	-	-	827	827
Licenses and Fees	-	-	25	25
Maintenance & Fees	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 386,262	\$ -	\$ 9,788	\$ 396,050

See Accompanying Notes to the Financial Statements

**MIDWEST COUNCIL FOR CHILDREN WITH DISABILITIES
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED-SEPTEMBER 30, 2017**

	<u>Program Services</u>	<u>Fund- Raising</u>	<u>Management and General</u>	<u>Total</u>
DIRECT EXPENSES				
Fund Raising Programs	\$ -	\$ 140,624	\$ -	\$ 140,624
TOTAL DIRECT EXPENSES	\$ -	\$ 140,624	\$ -	\$ 140,624
OPERATING EXPENSES				
Contributions	\$ 448,303	\$ -	\$ -	448,303
Professional Fees	-	-	3,565	3,565
Insurance	-	-	959	959
Finance Charges	-	-	413	413
Office Expenses	-	-	2,339	2,339
Licenses and Fees	-	-	15	15
TOTAL OPERATING EXPENSES	\$ 448,303	\$ -	\$ 7,291	\$ 455,594

See Accompanying Notes to the Financial Statements

**MIDWEST COUNCIL FOR CHILDREN WITH DISABILITIES
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED-SEPTEMBER 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in Net Assets from Operations	\$ (30,878)	\$ (128,481)
Increase, (Decrease) in Other Assets	315	(315)
Decrease in Prepaid Expenses	<u>686</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(29,877)</u>	<u>(128,796)</u>
NET INCREASE, (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,877)	(128,796)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>513,244</u>	<u>642,040</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 483,367</u>	<u>\$ 513,244</u>

See Accompanying Notes to the Financial Statements

MIDWEST COUNCIL FOR CHILDREN WITH DISABILITES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

Purpose and Summary of Significant Accounting Policies

The Midwest Council for Children with Disabilities (“the Council”) was founded in 1997 by a group of small business owners to provide financial assistance to children challenged physically, developmentally and cognitively. The Council provides families of the children the means to pursue medical treatment and therapies that are not covered by health insurance.

The Council was incorporated in Illinois on February 16, 2000. In its final ruling, the Internal Revenue Service has determined the council to be a not-for-profit organization, publically supported under section 501 (a) and 501 (c) (3) of the Internal Revenue Code. In addition to its Illinois operations, these financial statements include the operations of Midwest Council for Children with Disabilities, Ohio..

A Summary of Significant Accounting Policies is as Follows:

Revenue is recorded when received, and expenses are recorded when paid in accordance with the cash basis of accounting. The Council has adopted the provisions of Financial Accounting Standards Board opinions 116 and 117, relating to contributions made and received and financial statements format.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, requires management to make assumptions that affect the amounts reported in these statements. Actual results could differ from those estimates.

Prior period financial statements contain reclassifications of expenses necessary to allow them to be comparative to the current year’s financial statements.

In-Kind Contributions

In-kind contributions represent necessary services provided to the Council pro-bono. The value of these in-kind contributions, when present, are shown as both revenue and expenses in the Council’s statements of activities.

MIDWEST COUNCIL FOR CHILDREN WITH DISABILITES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

Income Taxes

As stated above, the Internal Revenue Service's ruling is that the Council is a not-for-profit organization and therefore not subject to income taxes, as they relate to the Council's main activities, under this ruling. Therefore, these financial statements do not reflect any income tax provisions or benefits associated with their operations.

Subsequent Events

Management has evaluated events and transactions that have occurred after the reported balance sheet date for potential recognition and disclosures through December 14, 2018. There have been no known subsequent events that would affect the Organization's financial position at September 30, 2018 or its results of operations or cash flows for the year then ended, nor are there any such items that need to be disclosed at this time.

Marketable Securities

The Company elected to adopt FASB-107 which allows the valuation of assets at their Fair Market Value. The Fair Market Value at 2018 and 201 along with other investment income resulted in the recognition of realized and unrealized net gains of \$428 and \$331 respectively.