

WORLD BUSINESS CHICAGO

Chicago, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended
December 31, 2017 and 2016

WORLD BUSINESS CHICAGO

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INDEPENDENT AUDITORS' REPORT

Board of Directors
World Business Chicago
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of World Business Chicago (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statement of activities and cash flows for the years 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.

Auditors' 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 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 auditors' 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 auditors consider 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.

Board of Directors
World Business Chicago

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
June 14, 2018

WORLD BUSINESS CHICAGO

STATEMENTS OF FINANCIAL POSITION As of December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,025,134	\$ 6,223,997
Investment note	505,000	500,000
Grants receivable	1,156,313	698,207
Contributions receivable	1,772,025	2,477,862
Accounts receivable	20,000	15,301
Prepaid expenses	<u>134,688</u>	<u>149,925</u>
 Total Current Assets	 <u>10,613,160</u>	 <u>10,065,292</u>
 PROPERTY AND EQUIPMENT, NET		
Furniture and fixtures	539,650	539,650
Equipment	437,846	303,065
Website	181,412	139,210
Artwork	20,018	20,018
Leasehold improvements	<u>78,496</u>	<u>78,496</u>
	1,257,422	1,080,439
Less accumulated depreciation and amortization	<u>(862,201)</u>	<u>(773,762)</u>
Property and equipment, net	<u>395,221</u>	<u>306,677</u>
 OTHER ASSETS		
Contributions receivable, due after one year, net of discount	<u>1,068,964</u>	<u>2,193,533</u>
 TOTAL ASSETS	 <u>\$ 12,077,345</u>	 <u>\$ 12,565,502</u>

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STATEMENTS OF FINANCIAL POSITION As of December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 489,772	\$ 300,332
Accrued expenses	155,407	232,673
Accrued payroll	536,143	355,391
Grants payable	677,079	-
Deferred rent	<u>22,468</u>	<u>14,208</u>
Total current liabilities	1,880,869	902,604
LONG-TERM LIABILITY		
Deferred rent	<u>83,638</u>	<u>106,106</u>
TOTAL LIABILITIES	<u>1,964,507</u>	<u>1,008,710</u>
Net assets:		
Unrestricted	6,310,177	7,268,554
Temporarily restricted	<u>3,802,661</u>	<u>4,288,238</u>
TOTAL NET ASSETS	<u>10,112,838</u>	<u>11,556,792</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,077,345</u>	<u>\$ 12,565,502</u>

WORLD BUSINESS CHICAGO

STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
REVENUE AND SUPPORT						
Private grants and contributions	\$ 5,219,870	\$ 45,000	\$ 5,264,870	\$ 3,917,680	\$ 48,018	\$ 3,965,698
Government agency grants	1,528,643	-	1,528,643	1,528,643	91,432	1,620,075
Program revenue	556,189	2,297,296	2,853,485	642,869	5,629,895	6,272,764
Special event revenue:						
Gross revenue	899,000	-	899,000	925,000	-	925,000
Less direct expenditures for event	(273,818)	-	(273,818)	(278,077)	-	(278,077)
Contributed goods and services	4,811,983	-	4,811,983	2,433,229	-	2,433,229
Chicago Sister Cities International committee income	125,907	-	125,907	260,290	-	260,290
Interest income	4,923	-	4,923	1,329	-	1,329
Other income	159,216	-	159,216	150,900	-	150,900
Net assets released from restrictions	<u>2,827,873</u>	<u>(2,827,873)</u>	<u>-</u>	<u>2,956,848</u>	<u>(2,956,848)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>15,859,786</u>	<u>(485,577)</u>	<u>15,374,209</u>	<u>12,538,711</u>	<u>2,812,497</u>	<u>15,351,208</u>
EXPENSES						
Program	13,435,189	-	13,435,189	8,960,161	-	8,960,161
Management and general	2,824,194	-	2,824,194	3,554,396	-	3,554,396
Fundraising	558,780	-	558,780	762,285	-	762,285
TOTAL EXPENSES	<u>16,818,163</u>	<u>-</u>	<u>16,818,163</u>	<u>13,276,842</u>	<u>-</u>	<u>13,276,842</u>
CHANGE IN NET ASSETS	(958,377)	(485,577)	(1,443,954)	(738,131)	2,812,497	2,074,366
NET ASSETS, BEGINNING OF YEAR	<u>7,268,554</u>	<u>4,288,238</u>	<u>11,556,792</u>	<u>8,006,685</u>	<u>1,475,741</u>	<u>9,482,426</u>
NET ASSETS, END OF YEAR	<u>\$ 6,310,177</u>	<u>\$ 3,802,661</u>	<u>\$ 10,112,838</u>	<u>\$ 7,268,554</u>	<u>\$ 4,288,238</u>	<u>\$ 11,556,792</u>

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STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,443,954)	\$ 2,074,366
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	88,439	106,528
(Increase) decrease in operating assets:		
Grants receivable	(458,106)	403,020
Contributions receivable	1,830,406	(3,830,847)
Accounts receivable	(4,699)	(14,586)
Prepaid expenses	15,237	(70,352)
Increase (decrease) in operating liabilities:		
Accounts payable	189,440	(48,474)
Accrued expenses and payroll	103,486	251,526
Grants payable	677,079	-
Deferred rent	(14,208)	(19,682)
Net Cash Flows from Operating Activities	<u>983,120</u>	<u>(1,148,501)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(176,983)	(26,138)
Purchase of investment note	<u>(5,000)</u>	<u>(500,000)</u>
Net Cash Flows from Investing Activities	<u>(181,983)</u>	<u>(526,138)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on capital lease obligation	<u>-</u>	<u>(45,693)</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>(45,693)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	801,137	(1,720,332)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,223,997</u>	<u>7,944,329</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,025,134</u>	<u>\$ 6,223,997</u>

WORLD BUSINESS CHICAGO

NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 1 – NATURE OF ACTIVITIES

World Business Chicago (WBC) is the City of Chicago's public-private economic development agency with a mission to drive inclusive economic growth and job creation, support business and promote Chicago as a leading global city.

WBC's focus areas include business development, small and medium-sized business support, workforce development, and global partnerships and programs.

WBC's local and global initiatives throughout 2017 and 2016 included Metro Chicago Exports (MCE), a regional economic development partnership focused on export businesses; Chicago Anchors for a Strong Economy (CASE), which enables anchor institutions to collectively impact Chicago's neighborhoods; ChicagoNEXT, WBC's dedicated effort to advance Chicago's technology ecosystem; and Chicago Sister Cities International, which builds relationships with Chicago's 28 international sister cities through arts, education, government relations and partnerships.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of WBC are summarized as follows:

Basis of Accounting

WBC's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

WBC considers all highly liquid investments with a maturity of six months or less when purchased to be cash equivalents.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities.

Basis of Presentation

Financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification) for *Financial Statements of Not-for-Profit Organizations*. Under the Codification, WBC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted - Unrestricted net assets are available to finance the general operations of WBC. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of WBC, the environment in which it operates and the purposes specified in its articles of incorporation.

WORLD BUSINESS CHICAGO

NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation (continued)

Temporarily restricted - Temporarily restricted net assets result (a) from contributions and other inflows of assets, the use of which by WBC is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of WBC pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of WBC pursuant to those stipulations.

Permanently restricted - Permanently restricted net assets (generally referred to as Endowment funds) are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit WBC to use up all of the income or other economic benefits derived from the donated assets. WBC has no permanently restricted net assets.

Grants Receivable, Revenue and Grants Payable

Amounts due under contractual arrangements related to grants and other service provisions are recorded as grants receivable and revenue. These receivables are stated at the amount management expects to collect from outstanding balances.

In similar fashion, there is a requirement that unconditional promises made by a not-for-profit organization be recognized as payables in the period that the promise is made. The entire payable of \$677,079 as of December 31, 2017 is due in 2018.

Accounts and Contributions Receivable

Accounts and contributions receivable include unconditional promises to give. An allowance for uncollectible accounts is considered unnecessary and is not provided.

Investments

In accordance with the standards relating to accounting for certain investments held by not-for-profit organizations, WBC records investments at their fair values, and both unrealized and realized gains and losses are reflected in the statement of activities.

Restricted and Unrestricted Revenue and Support

In accordance with the requirements of the Codification for *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

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NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Property and Equipment

Property and equipment are stated at cost if purchased or fair value at date of donation, if donated. Leasehold improvements are amortized ratably over the lesser of their useful life or term of the lease. Depreciation is provided using the straight-line method over the estimated useful lives of depreciable assets. Additions over \$2,500 are capitalized while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed as incurred.

Advertising Expense

WBC expenses all costs of advertising as they are incurred. Advertising expense was approximately \$19,300 and \$10,500 for the years ended December 31, 2017 and 2016, respectively.

Contributed Goods and Services

As required by the Codification, WBC recognizes the fair value of contributed (donated) goods and services when the contributed goods and services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would need to be purchased if not provided by donation.

The amounts shown as contributed services revenue represents the estimated fair value of the goods received or services performed by WBC's outside legal counsel, consultants and advertising executives. The amounts of such contributed goods or services revenue were determined by the amount of costs for such services which would otherwise have to be paid to obtain them.

Accordingly, significant contributed goods and services are included as support revenue and corresponding management, fundraising or program expense, with the specific costs detailed by the amount of expense which was donated. For the years ended December 31, 2017 and 2016, WBC has included as revenue and expense for the donation of marketing/PR, airfare, legal and consulting services, meeting facilities, and fellows (staffing) for various initiatives valued at \$4,811,983 and \$2,433,229, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WORLD BUSINESS CHICAGO

NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 3 – CASH AND CASH EQUIVALENTS

WBC maintains its cash in bank accounts which, at times, may exceed federally-insured limits. As of December 31, 2017 and 2016, WBC held cash in federally-insured accounts totaling \$7,011,020 and \$6,223,997, respectively. As of December 31, 2017 and 2016, cash in excess of federally-insured limits totaled \$3,523,850 and \$5,723,997, respectively. WBC has not experienced any losses in such accounts. Management believes that WBC is not exposed to any significant credit risk on cash.

NOTE 4 – FAIR VALUE MEASUREMENTS

Fair Value Hierarchy - Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs.
- Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) using the best information available in the circumstances, which may include using the reporting entity's own data.

Valuation Techniques and Inputs

Level 3 – Level 3 assets include an investment in a note for which there is no readily determinable fair value and the investee has provided its investors with a fair value as of December 31, 2017. As of December 31, 2017, these assets could not be liquidated in less than 90 days.

There have been no changes in the techniques and inputs used as of December 31, 2017.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

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NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 4 – FAIR VALUE MEASUREMENTS (continued)

WBC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following tables present information about the WBC's assets measured at fair value on a recurring basis as of December 31, 2017 based upon the three-tier hierarchy:

	Total	Level 1	Level 2	Level 3
Community Investment Note	\$ 505,000	\$ -	\$ -	\$ 505,000
Total	\$ 505,000	\$ -	\$ -	\$ 505,000

The following tables present information about the WBC's assets measured at fair value on a recurring basis as of December 31, 2016 based upon the three-tier hierarchy:

	Total	Level 1	Level 2	Level 3
Community Investment Note	\$ 500,000	\$ -	\$ -	\$ 500,000
Total	\$ 500,000	\$ -	\$ -	\$ 500,000

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2017:

	Balance December 31, 2016	Purchases	Balance December 31, 2017
Community Investment Note	\$ 500,000	\$ 5,000	\$ 505,000
Total	\$ 500,000	\$ 5,000	\$ 505,000

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2016:

	Balance December 31, 2015	Purchases	Balance December 31, 2016
Community Investment Note	\$ -	\$ 500,000	\$ 500,000
Total	\$ -	\$ 500,000	\$ 500,000

WORLD BUSINESS CHICAGO

NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 5 – INVESTMENTS

A summary of investments at December 31, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Community Investment Note	\$ 505,000	\$ 500,000
Total	<u>\$ 505,000</u>	<u>\$ 500,000</u>

A summary of investment income for the years ended December 31, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Interest income	\$ 4,817	\$ 1,014
Total	<u>\$ 4,817</u>	<u>\$ 1,014</u>

Investments, in general, are subject to various risks, including credit, interest rate, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the financial statements.

NOTE 6 – LEASES

Operating Lease

WBC leases office space under the terms of an amended lease expiring on April 30, 2021. The lease requires monthly minimum payments of \$17,475 increasing annually and ending on April 30, 2021.

In accordance with the Codification for *Accounting for Leases*, WBC recognized rent expense on a straight-line basis of \$192,736 and \$195,013 for the years ended December 31, 2017 and December 31, 2016, respectively. The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2017:

Year ending December 31,	
2018	\$ 215,204
2019	223,468
2020	231,728
2021	<u>78,160</u>
Total	<u>\$ 748,560</u>

In addition to the long term operating lease, WBC has other short term lease agreements. The total rent expense for the years ended December 31, 2017 and 2016 was \$509,550 and \$433,448, respectively.

WORLD BUSINESS CHICAGO

NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 6 – LEASES (continued)

Capital Lease

During 2015 WBC entered into a \$100,000 two-year lease for office furniture that is classified as a capital lease. The leased furniture is amortized on a straight line basis over 7 years. Total accumulated amortization related to the leased equipment was \$35,714 and \$21,429 at December 31, 2017 and 2016, respectively. The lease was paid in full during fiscal year 2016.

NOTE 7 – CONTRIBUTIONS RECEIVABLE

At December 31, contributions receivable are expected to be received in the following years:

	<u>2017</u>	<u>2016</u>
Due in less than one year	\$ 1,772,025	\$ 2,477,862
Due in one to five years	<u>1,094,773</u>	<u>2,241,638</u>
	2,866,798	4,719,500
Less: discount to present value	<u>(25,809)</u>	<u>(48,105)</u>
Net contributions receivable	<u>\$ 2,840,989</u>	<u>\$ 4,671,395</u>

Contributions receivable due beyond one year have been discounted at 1.20% and 1.47% at December 31, 2017 and 2016, respectively.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

WBC had temporarily restricted net assets of \$3,802,661 and \$4,288,238 at December 31, 2017 and 2016, respectively. Restricted net assets at December 31, 2017 consisted of \$561,832 in unspent contributions restricted as to use and \$3,240,829 in contributions for future fiscal years. Restricted net assets at December 31, 2016 consisted of \$3,371,895 in contributions for future fiscal years and \$916,343 in unspent contributions restricted as to use.

Net assets were released from temporarily restricted net assets due to time restrictions and purpose restrictions being met. The amount released in satisfaction of purpose restrictions totaled \$1,711,343 and \$2,756,848 for the years ended December 31, 2017 and December 31, 2016, respectively. The amount released in satisfaction of time restrictions totaled \$1,116,530 and \$200,000 for the years ended December 31, 2017 and 2016, respectively.

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NOTES TO THE FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2017 and 2016

NOTE 9 – PROFIT SHARING PLAN

WBC maintains a profit-sharing plan which qualifies under Section 401(k) of the Code. The plan allows eligible employees to contribute up to 100% of their compensation as salary deferral, subject to the maximum limitation under the Code. WBC is required to match the employee contributions equal to 3.5% of the participants' salary deferral. The total 401(k) match expense for the years ended December 31, 2017 and 2016 was \$119,013 and \$113,595, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

In 2017, WBC retained the employer firm of a board member to provide professional services. This firm was paid \$50,000 during the year.

In 2016, a board member provided consulting services to WBC and was paid \$60,000. These consulting services entailed strategic planning for the Metro Chicago Exports initiative, regional economic development efforts including marketing and assistance with Chicago Sister Cities International's strategic plan.

Contributions receivable from board members were \$260,000 and \$508,000 as of December 31, 2017 and 2016, respectively.

For the years ended December 31, 2017 and 2016, WBC received total contributions from board members of \$4,695,457 and \$4,435,040, respectively.

NOTE 11 – TAX STATUS

WBC is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Internal Revenue Service has determined that WBC is not a private foundation within the meaning of Section 509(a) of the Code. However, exempt organizations may be subject to income tax on any unrelated business income. During 2017 and 2016, WBC did not have any unrelated business income.

WBC has adopted the requirements for accounting for uncertain tax positions and management has determined that WBC was not required to record a liability related to uncertain tax positions as of December 31, 2017 and 2016. Federal and state tax and/or information returns of WBC are subject to examinations by the Internal Revenue Service and state taxing authorities, generally for three years after the returns were filed.

WORLD BUSINESS CHICAGO

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2017 and 2016

NOTE 12 – CONCENTRATION

The City of Chicago donated \$1,533,169 and \$1,826,708 to WBC for the years ended December 31, 2017 and 2016, respectively. Of these amounts, \$550,000 and \$580,000 are receivable from the City of Chicago as of December 31, 2017 and 2016, respectively.

NOTE 13 – SUBSEQUENT EVENTS

Management of WBC has reviewed and evaluated subsequent events from December 31, 2017, the financial statement date, through June 14, 2018, the date the financial statements were available to be issued. No events have occurred in this period that would be required to be recognized and/or disclosed in these financial statements as required by generally accepted accounting principles.