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**CHICAGO FOUNDATION FOR WOMEN  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2015 AND 2014**

Beth A. Ulbrich

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Elgin, Illinois 60123

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Chicago Foundation for Women  
Chicago, Illinois

### **Report on the Financial Statements**

We have audited the accompanying statements of financial position of Chicago Foundation for Women, as of June 30, 2015 and 2014, and the related statements of activities, cash flows and functional expenses 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 of 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 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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chicago Foundation for Women as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Muller & Co., LLP*

Elgin, Illinois  
October 21, 2015

**CHICAGO FOUNDATION FOR WOMEN**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2015 AND 2014**

**ASSETS**

	2015	2014
Cash and cash equivalents	\$ 375,426	1,024,057
Investments	13,256,162	13,081,148
Accounts receivable	20,000	-
Unconditional promises to give	82,321	95,000
Prepaid expenses and other assets	70,827	42,760
Property and equipment, net of accumulated depreciation of \$97,922 in 2015 and \$95,681 in 2014	16,858	19,099
	\$ 13,821,594	14,262,064

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable	\$ 38,877	25,240
Accrued expenses	17,932	18,253
Deferred revenue	290,100	331,300
Deferred lease incentives	22,970	65,737
	369,879	440,530

**Net assets:**

Unrestricted:		
Board designated	132,800	443,800
Board reserve fund	500,000	500,000
Undesignated	6,768,123	5,479,825
Temporarily restricted	1,401,597	3,042,412
Permanently restricted	4,649,195	4,355,497
	13,451,715	13,821,534
	\$ 13,821,594	14,262,064

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

CHICAGO FOUNDATION FOR WOMEN

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	UNRESTRICTED*	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>Support and revenue:</b>				
Contributions and grants	\$ 1,747,044	392,445	293,198	2,432,687
Special events, net of direct benefits to donors of \$153,800	1,152,395	-	500	1,152,895
Investment return	295,668	(273,075)	-	22,593
In-kind contributions	37,171	-	-	37,171
Other income	518	-	-	518
	<u>3,232,796</u>	<u>119,370</u>	<u>293,698</u>	<u>3,645,864</u>
<b>Net assets released from restrictions</b>	<u>1,760,185</u>	<u>(1,760,185)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,992,981</u>	<u>(1,640,815)</u>	<u>293,698</u>	<u>3,645,864</u>
<b>Expenses:</b>				
Program services:				
Grantmaking	2,439,840	-	-	2,439,840
Grantee education and support	183,572	-	-	183,572
Leadership development	293,051	-	-	293,051
Public policy and advocacy	474,178	-	-	474,178
	<u>3,390,641</u>	<u>-</u>	<u>-</u>	<u>3,390,641</u>
Management and general	129,516	-	-	129,516
Fund raising	495,526	-	-	495,526
	<u>625,042</u>	<u>-</u>	<u>-</u>	<u>625,042</u>
Total expenses	<u>4,015,683</u>	<u>-</u>	<u>-</u>	<u>4,015,683</u>
Change in net assets	977,298	(1,640,815)	293,698	(369,819)
Net assets, beginning of year	<u>6,423,625</u>	<u>3,042,412</u>	<u>4,355,497</u>	<u>13,821,534</u>
Net assets, end of year	<u>\$ 7,400,923</u>	<u>1,401,597</u>	<u>4,649,195</u>	<u>13,451,715</u>

\* Please refer to *Supplemental Schedules of Unrestricted Activities* on pages 24 and 25 for further detail.

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

CHICAGO FOUNDATION FOR WOMEN

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

	UNRESTRICTED*	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>Support and revenue:</b>				
Contributions and grants	\$ 1,407,191	522,435	87,350	2,016,976
Special events, net of direct benefits to donors of \$158,891	886,285	-	1,000	887,285
Investment return	1,247,179	582,272	-	1,829,451
In-kind contributions	8,230	-	-	8,230
Other income	3,023	-	-	3,023
	<u>3,551,908</u>	<u>1,104,707</u>	<u>88,350</u>	<u>4,744,965</u>
<b>Net assets released from restrictions</b>	<u>1,443,575</u>	<u>(1,443,575)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,995,483</u>	<u>(338,868)</u>	<u>88,350</u>	<u>4,744,965</u>
<b>Expenses:</b>				
Program services:				
Grantmaking	2,363,739	-	-	2,363,739
Grantee education and support	137,031	-	-	137,031
Leadership development	256,061	-	-	256,061
Public policy and advocacy	292,207	-	-	292,207
	<u>3,049,038</u>	<u>-</u>	<u>-</u>	<u>3,049,038</u>
Management and general	82,265	-	-	82,265
Fund raising	485,389	-	-	485,389
	<u>567,654</u>	<u>-</u>	<u>-</u>	<u>567,654</u>
Total expenses	<u>3,616,692</u>	<u>-</u>	<u>-</u>	<u>3,616,692</u>
Change in net assets before other changes	1,378,791	(338,868)	88,350	1,128,273
Net assets, beginning of year	5,044,834	3,381,280	4,267,147	12,693,261
Net assets, end of year	<u>\$ 6,423,625</u>	<u>3,042,412</u>	<u>4,355,497</u>	<u>13,821,534</u>

\* Please refer to *Supplemental Schedules of Unrestricted Activities* on pages 24 and 25 for further detail.

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

**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
<b>Cash (applied to) provided by operating activities:</b>		
Change in net assets	\$ (369,819)	1,128,273
Adjustments to reconcile change in net assets to net cash applied to operating activities:		
Depreciation	2,241	3,512
Net realized and unrealized gain (loss) on investments	498,351	(1,425,069)
Contribution of equity securities	(559,210)	(272,749)
Changes in:		
Accounts receivable	(20,000)	900
Unconditional promises to give	12,679	395,000
Prepaid expenses and other assets	(28,067)	18,838
Accounts payable	13,637	12,087
Accrued expenses	(321)	(29,984)
Deferred revenue	(41,200)	217,650
Deferred lease incentives	(42,767)	(36,499)
Contributions restricted for long-term purposes - endowment	(293,698)	(88,350)
	(828,174)	(76,391)
<b>Cash (applied to) provided by investing activities:</b>		
Proceeds from sale of investments	3,613,039	5,302,229
Purchase of investments	(3,727,194)	(4,588,824)
	(114,155)	713,405
<b>Cash provided by financing activities -</b>		
Contributions restricted for long-term purposes - endowment	293,698	88,350
Net (decrease) increase in cash and cash equivalents	(648,631)	725,364
Cash and cash equivalents, beginning of year	1,024,057	298,693
Cash and cash equivalents, end of year	\$ 375,426	1,024,057
<b>Noncash investing transactions -</b>		
Contribution of equity securities	\$ 559,210	272,749

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



CHICAGO FOUNDATION FOR WOMEN

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	GRANTMAKING	GRANTEE EDUCATION AND SUPPORT	LEADERSHIP DEVELOPMENT	PUBLIC POLICY AND ADVOCACY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL EXPENSES 2015	TOTAL EXPENSES 2014
Grants	\$ 2,182,712	-	-	-	2,182,712	-	-	2,182,712	2,113,732
Compensation	195,130	107,156	184,150	231,510	717,946	55,336	305,329	1,078,611	1,003,864
Professional fees	8,096	21,606	32,216	152,373	214,291	28,526	21,106	263,923	111,492
Bank fees	-	-	-	-	-	13,376	-	13,376	15,930
Promotional materials	-	-	-	6,668	6,668	6,668	-	13,336	11,683
Occupancy	22,586	12,403	21,315	26,797	83,101	6,405	35,342	124,848	125,872
Telephone and internet	1,731	951	1,634	2,054	6,370	491	2,709	9,570	8,802
Delivery, postage and mailing	668	373	630	792	2,463	230	1,021	3,714	3,539
Web hosting	1,404	771	1,325	8,920	12,420	503	2,196	15,119	14,056
Equipment	3,513	1,929	3,315	4,168	12,925	1,148	5,497	19,570	15,036
Tech support	9,263	1,817	3,123	3,926	18,129	938	12,658	31,725	31,562
Printing and photography	1,720	945	7,942	9,661	20,268	2,642	16,601	39,511	11,848
Dues, subscriptions and publications	1,874	1,329	3,796	2,602	9,601	549	3,022	13,172	14,704
Supplies	1,084	627	1,070	1,286	4,067	307	1,696	6,070	5,937
Travel	627	246	201	1,415	2,489	1,136	75	3,700	3,175
In-kind expense	4,585	2,518	10,998	5,440	23,541	1,300	12,330	37,171	8,231
Special events expense	-	-	-	-	-	-	71,945	71,945	68,582
Conferences and meetings	3,858	5,597	7,007	15,293	31,755	3,086	2,452	37,293	25,535
Insurance	865	475	816	1,026	3,182	245	1,353	4,780	4,607
Depreciation	-	-	-	-	-	2,241	-	2,241	3,512
Miscellaneous	124	68	117	147	456	4,389	194	5,039	5,278
Other program expenses	-	24,761	13,396	100	38,257	-	-	38,257	9,715
	<u>\$ 2,439,840</u>	<u>183,572</u>	<u>293,051</u>	<u>474,178</u>	<u>3,390,641</u>	<u>129,516</u>	<u>495,526</u>	<u>4,015,683</u>	<u>3,616,692</u>

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

**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

**JUNE 30, 2014**

	GRANTMAKING	GRANTEE EDUCATION AND SUPPORT	LEADERSHIP DEVELOPMENT	PUBLIC POLICY AND ADVOCACY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL EXPENSES
Grants	\$ 2,113,732	-	-	-	2,113,732	-	-	2,113,732
Compensation	174,562	96,052	188,302	195,294	654,210	49,475	300,179	1,003,864
Professional fees	22,316	5,123	10,721	25,881	64,041	20,134	27,317	111,492
Bank fees	2,770	1,524	2,988	3,099	10,381	785	4,764	15,930
Promotional materials	1,016	559	1,096	6,978	9,649	288	1,746	11,683
Occupancy	21,888	12,044	23,611	24,487	82,030	6,203	37,639	125,872
Telephone and internet	1,531	842	1,651	1,712	5,736	434	2,632	8,802
Delivery, postage and mailing	594	327	640	664	2,225	191	1,123	3,539
Web hosting	1,222	672	1,318	8,396	11,608	346	2,102	14,056
Equipment	2,615	1,439	2,820	2,925	9,799	741	4,496	15,036
Tech support	8,740	1,716	3,364	3,489	17,309	884	13,369	31,562
Printing and photography	337	186	364	5,331	6,218	96	5,534	11,848
Dues, subscriptions and publications	2,484	1,740	2,802	2,725	9,751	690	4,263	14,704
Supplies	949	564	1,322	1,062	3,897	260	1,780	5,937
Travel	1,112	387	398	381	2,278	20	877	3,175
In-kind expense	1,322	727	1,468	1,479	4,996	375	2,860	8,231
Special events expense	-	-	-	-	-	-	68,582	68,582
Conferences and meetings	4,141	5,265	7,597	5,731	22,734	691	2,110	25,535
Insurance	801	441	864	896	3,002	227	1,378	4,607
Depreciation	611	336	659	683	2,289	173	1,050	3,512
Miscellaneous	996	489	959	994	3,438	252	1,588	5,278
Other program expenses	-	6,598	3,117	-	9,715	-	-	9,715
	<u>\$ 2,363,739</u>	<u>137,031</u>	<u>256,061</u>	<u>292,207</u>	<u>3,049,038</u>	<u>82,265</u>	<u>485,389</u>	<u>3,616,692</u>

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

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 - NATURE OF OPERATIONS

Chicago Foundation for Women (Foundation) is a not-for-profit organization dedicated to increasing resources and opportunities for women and girls in the Chicago region through grantmaking, advocacy, leadership development, and public and grantee education. To support our philanthropy, the Foundation promotes increased investment in women and girls, raises awareness about their issues and potential, and develops them as leaders and philanthropists.

Since 1985 the Foundation has awarded 3,500 grants totaling \$26 million to hundreds of organizations that make life better for women and girls. We are a community of people who share the excitement of giving to help women and girls thrive. Donors share our vision of equality for all women and girls and trust us to maximize the impact of their contributions. More than a grantmaker, the Foundation is a partnership of donors, grantees, staff and community volunteers - all working together with women and girls and the agencies and organizations that help them become leaders for today and tomorrow.

The Foundation works to improve the lives of women and girls by investing in solutions to the most pressing challenges they face - economic security, violence and access to health care services and information. We are a catalyst for positive change, connecting need, money and solutions, and our direct impact has been far-reaching for almost 30 years. We take informed, but bold risks, and are at the forefront of anticipating new challenges. Partnering with nonprofits to provide innovative solutions, our work reaches neighborhoods that may not see a great deal of investment, and we support emerging organizations often overlooked by others.

During our 30th anniversary year, we began to leverage our robust network, proven track record and years of experience to develop a public forum called *The 100% Project* to unite the Chicago area community around a shared vision for women and girls. Using collaborative strategies and convening 50 different groups of community members, leaders, and over 500 different individuals, we were able to identify the areas of greatest need for women and girls in the Chicago region, and are developing priorities and strategies for advancing women in the community.

Our bold long-term vision to increase our impact will include expanding our advocacy work, increasing grantmaking across all of our issue areas, and taking a deep and comprehensive approach to raising the capacity of and supporting organizations serving women and girls in the Chicago area.

The ultimate goal of all our work is to create lasting, positive change in the lives of women and girls. We envision a world in which all women and girls have the opportunity to achieve their full potential, and live in safe, just, and healthy communities.

**CHICAGO FOUNDATION FOR WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Investments

Investments are measured at fair value, determined by quoted market price, in the statement of financial position. Investment income or loss (including gains and losses on investments and interest) is included in the statements of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment have been recorded at cost if purchased or at market value at time of donation if received as a gift. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Office furniture and equipment	3 - 10 years
Leasehold improvements	10 years

Revenue Recognition

The majority of funding for the Foundation's operations is provided by contributions and grants. Contribution revenues and other support are recognized in the fiscal year that they are received. Grant revenues are recognized in the fiscal year in which they are awarded.

Donor Advised Funds

The Donor Advised Funds (DAF) consist of unrestricted contributions that are reported within investments and are recorded at fair value (see Note 14). The Foundation recognizes revenue when assets are contributed to the DAF.

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

##### Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The Foundation has elected to report donor restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

##### Unrestricted Net Assets

Unrestricted net assets are not subject to donor-imposed stipulations plus those resources for which temporary donor imposed stipulations have been satisfied.

##### Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation pursuant to those stipulations and/or that expire by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

##### Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that the resources be maintained permanently by the Foundation.

**CHICAGO FOUNDATION FOR WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Financial Statement Estimates

The preparation of 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Foundation maintains its cash in bank deposits which, at times, may exceed federally insured limits. The Foundation believes it is not exposed to significant credit risk on these accounts.

Subsequent Events

Subsequent events have been evaluated through October 21, 2015 the date that the financial statements were available for issue.

**CHICAGO FOUNDATION FOR WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 3 - INVESTMENTS**

Investments reported at fair value at June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Corporate bonds	\$ 953,200	1,062,052
Straight preferred securities	872,511	787,921
Common stock	4,254,802	3,482,627
Fixed income mutual funds:		
Treasury inflated protected securities	470,527	412,367
Broad domestic	1,164,589	1,027,225
International bonds	692,086	612,159
High yield	837,319	756,708
Emerging markets bond	272,232	270,239
Equity mutual funds:		
Large cap	567,378	715,845
Small/mid cap	346,762	436,094
International	681,795	798,033
Emerging markets	431,525	412,542
Other mutual funds:		
Real estate funds	652,721	830,564
Commodity funds	532,919	612,543
Master limited partnerships	525,796	864,229
	<u>\$ 13,256,162</u>	<u>13,081,148</u>

Investment return for the years ended June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 594,616	474,073
Investment fees	( 73,672)	( 69,691)
Realized gain	204,466	493,484
Unrealized gain (loss)	( 702,817)	931,585
	<u>\$ 22,593</u>	<u>1,829,451</u>

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 4 - FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are described below:

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2            Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2015 and 2014.

Following is a description of the valuation methodologies used for assets measured at fair value.

Corporate bonds: Based on quoted prices of similar assets or liabilities in active markets.

All other securities: Based on quoted prices of identical assets in active markets.



CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation 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 fair value measurement at the reporting date.

Within the fair value hierarchy, the Foundation's assets consisted of Level 1 inputs, which had fair values of \$12,302,962 and \$12,019,096 as of June 30, 2015 and 2014, respectively, and Level 2 inputs, which consisted of Corporate Bonds totaling \$953,200 and \$1,062,052 as of June 30, 2015 and 2014, respectively.

**NOTE 5 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give, \$82,321 as of June 30, 2015, are expected to be received as follows:

2016	\$ 27,500
2017	25,000
2018	29,821

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Office furniture and equipment	\$ 92,280	92,280
Donated artwork	15,000	15,000
Leasehold improvements	<u>7,500</u>	<u>7,500</u>
	114,780	114,780
Less accumulated depreciation	<u>( 97,922)</u>	<u>( 95,681)</u>
	\$ <u>16,858</u>	<u>19,099</u>

Depreciation expense included in program and support services was \$2,241 and \$3,512 for the years ended June 30, 2015 and 2014, respectively.

**CHICAGO FOUNDATION FOR WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets contain donor-imposed restrictions which expire upon the passage of time or once specific purposes have been fulfilled. At June 30, temporarily restricted net assets were available for the following purposes:

	<u>2015</u>	<u>2014</u>
Women's health series	\$ -	10,000
Time restricted for general operating	41,200	95,000
Grants	-	1,010,000
Domestic violence	310,097	343,843
Catalyst fund grantmaking	75,000	85,000
Emerging organizations	-	3,750
Capacity building for grantees	-	18,935
Strategic planning	64,166	-
Enterprise fund	5,000	10,000
Leadership development	-	20,000
Cultivate	-	25,000
Nonprofit merger analysis	25,000	-
Thirtieth anniversary	202,076	-
Women of color outreach	-	149,750
Women civic agenda	-	115,000
Endowment return available for future expenditures	<u>679,058</u>	<u>1,156,134</u>
	\$ <u>1,401,597</u>	<u>3,042,412</u>

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions during the years ended June 30, 2015 and 2014, because donor restrictions were met by satisfying the stated grant purpose or time or other event, are as follows:

	<u>2015</u>	<u>2014</u>
General operating	\$ 187,685	-
Women's health series	10,000	15,000
Grants	1,010,000	1,010,000
Domestic violence	33,750	57,625
Catalyst fund grantmaking	-	75,000
Emerging organizations	-	7,500
Capacity building for grantees	-	17,500
Strategic planning	-	22,000
Enterprise fund	5,000	10,000
Leadership development	20,000	32,500
Women of color outreach	149,750	-
Women civic agenda	115,000	-
Cultivate	25,000	-
Endowment appropriation	<u>204,000</u>	<u>196,450</u>
	\$ <u>1,760,185</u>	<u>1,443,575</u>

#### NOTE 9 - ENDOWMENT

The Foundation's endowment consists of funds established for the purpose of providing an ongoing source of income to the Foundation. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

##### Interpretation of Relevant Law

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on June 30, 2009. The Board of Directors has adopted a spending policy that requires the preservation of the historic value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

As a result of this policy, the Foundation classifies the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as permanently restricted net assets.

**CHICAGO FOUNDATION FOR WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 9 - ENDOWMENT, CONTINUED**

Interpretation of Relevant Law, Continued

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating annually no more than 3-4% of the prior three-year average of the fair market value of the endowment, including any capital appreciation and/or current yield. In establishing this policy, the Foundation considered the long-term expected return on its endowments. This is consistent with the Foundation's objective to maintain the fair value of the endowment assets held in perpetuity for a specified term as well as to provide additional real growth through new gifts and investment return. Donor-restricted endowments are spent in accordance with the donors' requirements, and distributions are made for purposes that conform to the donors' stated intentions.

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the historic dollar value at date of gift.

There were no such deficiencies at June 30, 2015 or 2014.

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 9 - ENDOWMENT, CONTINUED**

Endowment Schedules

Changes in endowment net assets for the year ended June 30, 2015:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Endowment net assets, June 30, 2014	\$ -	1,156,134	4,355,497	5,511,631
Investment return:				
Interest and dividends	-	276,096	-	276,096
Investment fees	-	( 22,428)	-	( 22,428)
Realized loss	-	( 2,398)	-	( 2,398)
Unrealized loss	-	( 524,346)	-	( 524,346)
	-	( 273,076)	-	( 273,076)
Appropriation of endowment assets for expenditures	-	( 204,000)	-	( 204,000)
Contributions	-	-	293,698	293,698
	-	( 204,000)	293,698	89,698
Endowment net assets, June 30, 2015	\$ <u>-</u>	<u>679,058</u>	<u>4,649,195</u>	<u>5,328,253</u>

Endowment net asset composition by type of fund as of June 30, 2015:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Donor-restricted Endowment funds	\$ <u>-</u>	<u>679,058</u>	<u>4,649,195</u>	<u>5,328,253</u>

Changes in endowment net assets for the year ended June 30, 2014:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Endowment net assets, June 30, 2013	\$ -	770,313	4,267,147	5,037,460
Investment return:				
Interest and dividends	-	228,704	-	228,704
Investment fees	-	( 20,334)	-	( 20,334)
Realized gain	-	158,443	-	158,443
Unrealized gain	-	215,458	-	215,458
	-	582,271	-	582,271
Appropriation of endowment assets for expenditures	-	( 196,450)	-	( 196,450)
Contribution	-	-	88,350	88,350
Endowment net assets,	-	( 196,450)	88,350	108,100
June 30, 2014	\$ <u>-</u>	<u>1,156,134</u>	<u>4,355,497</u>	<u>5,511,631</u>

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 9 - ENDOWMENT, CONTINUED**

Endowment Schedules, Continued

Endowment net assets composition by type of fund as of June 30, 2014:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Donor restricted endowment funds	\$ <u>                    </u> -	<u>1,156,134</u>	<u>4,355,497</u>	<u>5,511,631</u>

**NOTE 10 - OPERATING LEASES**

The Foundation has entered into an eleven year non-cancellable operating lease for office space. The initial term of the lease is from December 31, 2004 through December 31, 2015 and is renewable for two additional five year terms.

The lease agreement provides for lease incentives including reimbursement of certain costs incurred by the Foundation related to relocation and rent abatements for the first three months of each of the first four years of the lease term. The lease incentives are amortized on a straight-line basis over the term of the lease.

Payments under the lease agreements include monthly base rent ranging from \$4,620 to \$6,720 over the term of the lease, plus additional rent for operating expenses and real estate taxes, which are subject to annual adjustment.

Additionally, at June 30, 2015, the Foundation had two equipment leases. The terms of the leases expire March 2017 and December 2018 and require minimum monthly payments of \$570 and \$354, respectively.

The aggregate future minimum lease payments under the leases at June 30, 2015 are as follows:

2016	\$	89,205
2017		8,521
2018		4,248
2019		2,124

**NOTE 11 - IN-KIND CONTRIBUTIONS**

The Foundation received donated goods and services including airline tickets, catering, printing, management consulting services, and other miscellaneous items totaling \$37,171 and \$8,231 in 2015 and 2014, respectively. These amounts have been recognized as revenue and expense in the statements of activities.

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 11 - IN-KIND CONTRIBUTIONS, CONTINUED**

In addition, the Foundation received shares of marketable securities with fair market values totaling \$559,210 and \$272,749, in 2015 and 2014 respectively, at the date of the contribution.

**NOTE 12 - TAX SHELTERED ANNUITY PLAN**

The Foundation provides a 403(b) retirement plan (Plan) for eligible full-time employees who have completed three months of service. The Foundation contributes a discretionary amount of eligible employees' salaries, as determined by the Board of Directors, which ranges from 1% to 3%. The Foundation contributed 3% of eligible salaries during the years ended June 30, 2015 and 2014. The Plan also allows for employee salary deferral contributions.

The Foundation expenses contributions to the Plan as incurred. Contributions for the years ended June 30, 2015 and 2014 totaled \$25,231 and \$25,350, respectively. Employees are immediately fully vested in all contributions and are entitled to accumulated contributions plus investment earnings upon termination or retirement.

**NOTE 13 - JOINT COST OF ACTIVITIES THAT INCLUDE A FUND RAISING APPEAL**

The Foundation achieves some of its programmatic goals in direct mail campaigns that include requests for contributions. The costs of conducting those campaigns in 2015 and 2014 included a total of \$41,154 and \$21,589 respectively, of joint costs that are not directly attributable to program, management and general or fund raising components of the activities. These joint costs were allocated as follows:

	<u>2015</u>	<u>2014</u>
Public Policy and Advocacy	\$ 14,288	10,795
Management	6,668	5,840
Fund raising	13,909	4,954
Leadership development	<u>6,289</u>	<u>-</u>
Total	\$ <u>41,154</u>	<u>21,589</u>

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 14 - DONOR ADVISED FUNDS**

The Foundation has received contributions to be held in Donor Advised Funds (DAF). Although the donor may submit recommendations with respect to the use of the funds, such recommendations are solely advisory and the Foundation is not bound by such recommendations. Accordingly, these contributions are included in unrestricted revenue and earnings on the DAF assets are included in unrestricted income. DAF assets are included in unrestricted net assets.

Activity in DAF for the years ended June 30, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Assets, beginning of the year	\$ 741,934	699,199
Contributions received	66,418	19,009
Investment return, net of advisor fees	( 36,060)	79,901
Grants and program expenditures	( 81,500)	( 53,500)
Administrative charges	( 4,075)	( 2,675)
Assets, end of year	\$ <u>686,717</u>	<u>741,934</u>

**NOTE 15 - TAX STATUS**

The Foundation has been determined to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

The Foundation has evaluated the tax positions taken for all open tax years. Currently, the 2011, 2012 and 2013 tax years are open and subject to examination by the Internal Revenue Service however the Foundation is not currently under audit nor has the Foundation been contacted by this jurisdiction.

Based on the evaluation of the Foundation's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2015 and 2014.

**NOTE 16 - LINE OF CREDIT**

The Foundation has a \$75,000 unsecured line of credit. This line expires on October 31, 2015 and bears interest at 3.25%. No balance is owed as of June 30, 2015 or June 30, 2014 under this line-of-credit agreement. All financial covenants were met or waived for the year ended June 30, 2015.



**S U P P L E M E N T A L   I N F O R M A T I O N**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Chicago Foundation for Women  
Chicago, Illinois

Our report on our audits of the basic financial statements of Chicago Foundation for Women for the years ended June 30, 2015 and 2014 appears on pages 1 and 2. Those audits were made for the purpose of forming an opinion on such financial statements taken as a whole. The 2015 and 2014 information on pages 24 and 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related 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 audits 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 basic financial statements for the years ended June 30, 2015 and 2014 taken as a whole.

*Mueller & Co., LLP*

Elgin, Illinois  
October 21, 2015

CHICAGO FOUNDATION FOR WOMEN

SUPPLEMENTAL SCHEDULES OF UNRESTRICTED ACTIVITIES

YEAR ENDED JUNE 30, 2015

	GENERAL	DONOR ADVISED FUNDS	TOTAL UNRESTRICTED
<b>Support and revenue:</b>			
Contributions and grants	\$ 1,680,626	66,418	1,747,044
Special events, net of direct benefits to donors of \$153,800	1,152,395	-	1,152,395
Investment return	331,728	(36,060)	295,668
In-kind contributions	37,171	-	37,171
Other income	518	-	518
	<u>3,202,438</u>	<u>30,358</u>	<u>3,232,796</u>
<b>Net assets released from restrictions</b>	<u>1,760,185</u>	<u>-</u>	<u>1,760,185</u>
Total support and revenue	<u>4,962,623</u>	<u>30,358</u>	<u>4,992,981</u>
<b>Expenses:</b>			
Program services:			
Grantmaking	2,358,340	81,500	2,439,840
Grantee education and support	183,572	-	183,572
Leadership development	293,051	-	293,051
Public policy and advocacy	474,178	-	474,178
	<u>3,309,141</u>	<u>81,500</u>	<u>3,390,641</u>
Management and general	125,441	4,075	129,516
Fund raising	495,526	-	495,526
	<u>620,967</u>	<u>4,075</u>	<u>625,042</u>
Total expenses	<u>3,930,108</u>	<u>85,575</u>	<u>4,015,683</u>
Change in net assets	1,032,515	(55,217)	977,298
Net assets, beginning of year	<u>5,681,691</u>	<u>741,934</u>	<u>6,423,625</u>
Net assets, end of year	<u>\$ 6,714,206</u>	<u>686,717</u>	<u>7,400,923</u>

CHICAGO FOUNDATION FOR WOMEN

SUPPLEMENTAL SCHEDULES OF UNRESTRICTED ACTIVITIES

YEAR ENDED JUNE 30, 2014

	GENERAL	DONOR ADVISED FUNDS	TOTAL UNRESTRICTED
<b>Support and revenue:</b>			
Contributions and grants	\$ 1,388,182	19,009	1,407,191
Special events, net of direct benefits to donors of \$158,891	886,285	-	886,285
Investment return	1,167,278	79,901	1,247,179
In-kind contributions	8,230	-	8,230
Other income	3,023	-	3,023
	<u>3,452,998</u>	<u>98,910</u>	<u>3,551,908</u>
<b>Net assets released from restrictions</b>	<u>1,443,575</u>	<u>-</u>	<u>1,443,575</u>
Total support and revenue	<u>4,896,573</u>	<u>98,910</u>	<u>4,995,483</u>
<b>Expenses:</b>			
Program services:			
Grantmaking	2,310,239	53,500	2,363,739
Grantee education and support	137,031	-	137,031
Leadership development	256,061	-	256,061
Public policy and advocacy	292,207	-	292,207
	<u>2,995,538</u>	<u>53,500</u>	<u>3,049,038</u>
Management and general	79,590	2,675	82,265
Fund raising	485,389	-	485,389
	<u>564,979</u>	<u>2,675</u>	<u>567,654</u>
Total expenses	<u>3,560,517</u>	<u>56,175</u>	<u>3,616,692</u>
Change in net assets	1,336,056	42,735	1,378,791
Net assets, beginning of year	<u>4,345,635</u>	<u>699,199</u>	<u>5,044,834</u>
Net assets, end of year	<u>\$ 5,681,691</u>	<u>741,934</u>	<u>6,423,625</u>