



# MUELLER & CO., LLP

*Certified Public Accountants ~ Business Advisors*

ASSURANCE &

**CHICAGO FOUNDATION FOR WOMEN  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2017 AND 2016**

MUELLER

Chicago & Elgin  
[www.muellercpa.com](http://www.muellercpa.com)  
847.888.8600 Phone  
847.888.0635 Fax

## CONTENTS

	<u>PAGE</u>
<b>Financial Statements</b>	
Independent Auditors' Report .....	1-2
Statements of Financial Position .....	3
Statements of Activities .....	4-5
Statements of Cash Flows .....	6
Statements of Functional Expenses .....	7-8
Notes to Financial Statements .....	9-22
<b>Supplementary Information</b>	
Independent Auditors' Report on Supplementary Information .....	23
Supplementary Schedules of Unrestricted Activities.....	24-25



1707 N. Randall Road, Suite 200 ■ Elgin, Illinois 60123  
847.888.8600 Fax: 847.888.0635 ■ www.muellercpa.com

## **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, 2017 and 2016, 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, 2017 and 2016, 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  
September 20, 2017

**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

**ASSETS**

	2017	2016
Cash and cash equivalents	\$ 699,630	717,845
Investments	13,692,019	12,687,087
Accounts receivable	20,900	27,182
Unconditional promises to give, net	837,582	511,071
Prepaid expenses and other assets	87,888	80,738
Property and equipment, net of accumulated depreciation and amortization of \$60,497 in 2017 and \$55,958 in 2016	27,577	32,116
	\$ 15,365,596	14,056,039

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable	\$ 9,432	18,480
Accrued expenses	18,846	17,254
Deferred revenue	149,300	231,545
Deferred lease incentives	67,436	60,440
	245,014	327,719

**Net assets:**

Unrestricted:		
Board designated reserve fund	500,000	500,000
Undesignated	7,516,082	6,931,245
Temporarily restricted	1,485,469	1,521,604
Permanently restricted	5,619,031	4,775,471
	15,120,582	13,728,320
	\$ 15,365,596	14,056,039

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

**CHICAGO FOUNDATION FOR WOMEN**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2017**

	UNRESTRICTED*	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>Support and revenue:</b>				
Contributions and grants	\$ 1,900,838	421,021	843,560	3,165,419
Special events, net of direct benefits to donors of \$152,600	1,092,886	-	-	1,092,886
Investment return, net	929,288	408,356	-	1,337,644
In-kind contributions	32,011	-	-	32,011
Other income	497	-	-	497
	<u>3,955,520</u>	<u>829,377</u>	<u>843,560</u>	<u>5,628,457</u>
<b>Net assets released from restrictions</b>	<u>865,512</u>	<u>(865,512)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,821,032</u>	<u>(36,135)</u>	<u>843,560</u>	<u>5,628,457</u>
<b>Expenses:</b>				
Program services:				
Grantmaking	2,592,836	-	-	2,592,836
Grantee education and support	292,291	-	-	292,291
Leadership development	257,858	-	-	257,858
Public policy and advocacy	430,216	-	-	430,216
	<u>3,573,201</u>	<u>-</u>	<u>-</u>	<u>3,573,201</u>
Management and general	113,420	-	-	113,420
Fundraising	549,574	-	-	549,574
	<u>662,994</u>	<u>-</u>	<u>-</u>	<u>662,994</u>
Total expenses	<u>4,236,195</u>	<u>-</u>	<u>-</u>	<u>4,236,195</u>
Change in net assets	584,837	(36,135)	843,560	1,392,262
Net assets, beginning of year	<u>7,431,245</u>	<u>1,521,604</u>	<u>4,775,471</u>	<u>13,728,320</u>
Net assets, end of year	<u>\$ 8,016,082</u>	<u>1,485,469</u>	<u>5,619,031</u>	<u>15,120,582</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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

	UNRESTRICTED*	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>Support and revenue:</b>				
Contributions and grants	\$ 1,984,067	730,617	126,276	2,840,960
Special events, net of direct benefits to donors of \$174,122	1,220,037	-	-	1,220,037
Investment return, net	(69,642)	32,711	-	(36,931)
In-kind contributions	46,971	-	-	46,971
Gain on sale of asset	35,000	-	-	35,000
Other income	12,584	-	-	12,584
	<u>3,229,017</u>	<u>763,328</u>	<u>126,276</u>	<u>4,118,621</u>
<b>Net assets released from restrictions</b>	<u>643,321</u>	<u>(643,321)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,872,338</u>	<u>120,007</u>	<u>126,276</u>	<u>4,118,621</u>
<b>Expenses:</b>				
Program services:				
Grantmaking	2,197,516	-	-	2,197,516
Grantee education and support	222,399	-	-	222,399
Leadership development	286,807	-	-	286,807
Public policy and advocacy	494,343	-	-	494,343
	<u>3,201,065</u>	<u>-</u>	<u>-</u>	<u>3,201,065</u>
Management and general	163,814	-	-	163,814
Fundraising	477,137	-	-	477,137
	<u>640,951</u>	<u>-</u>	<u>-</u>	<u>640,951</u>
Total expenses	<u>3,842,016</u>	<u>-</u>	<u>-</u>	<u>3,842,016</u>
Change in net assets	30,322	120,007	126,276	276,605
Net assets, beginning of year	<u>7,400,923</u>	<u>1,401,597</u>	<u>4,649,195</u>	<u>13,451,715</u>
Net assets, end of year	<u>\$ 7,431,245</u>	<u>1,521,604</u>	<u>4,775,471</u>	<u>13,728,320</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, 2017 AND 2016**

	2017	2016
<b>Cash provided by (applied to) operating activities:</b>		
Change in net assets	\$ 1,392,262	276,605
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities:		
Depreciation and amortization	4,539	2,741
Gain on sale of property and equipment	-	(35,000)
Net realized and unrealized (gain) loss on investments	(911,023)	502,828
Contributions restricted for long-term purposes	(843,560)	(126,276)
Changes in:		
Accounts receivable	6,282	(6,682)
Unconditional promises to give	227,689	(428,750)
Prepaid expenses and other assets	(7,150)	(10,411)
Accounts payable	(9,048)	(20,397)
Accrued expenses	1,592	(678)
Deferred revenue	(82,245)	(58,555)
Deferred lease incentives	6,996	37,470
	(213,666)	132,895
<b>Cash provided by (applied to) investing activities:</b>		
Proceeds from sale of investments	3,979,544	1,880,520
Purchase of investments	(4,073,453)	(1,814,273)
Proceeds from sales of property and equipment	-	50,000
Purchases of property and equipment	-	(32,999)
	(93,909)	83,248
<b>Cash provided by (applied to) financing activities:</b>		
Contributions restricted for long-term purposes	843,560	126,276
Unconditional promise to give	(554,200)	-
	289,360	126,276
Net increase (decrease) in cash and cash equivalents	(18,215)	342,419
Cash and cash equivalents, beginning of year	717,845	375,426
Cash and cash equivalents, end of year	\$ 699,630	717,845

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



**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2017**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016**

	GRANTMAKING	GRANTEE EDUCATION AND SUPPORT	LEADERSHIP DEVELOPMENT	PUBLIC POLICY AND ADVOCACY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES 2017	TOTAL EXPENSES 2016
Grants	\$ 2,308,050	-	-	-	2,308,050	-	-	2,308,050	1,919,312
Compensation	220,548	135,710	189,451	262,514	808,223	58,507	373,467	1,240,197	1,140,856
Professional fees	8,639	30,647	8,481	47,618	95,385	29,013	13,813	138,211	220,791
Bank fees	2,169	1,335	1,863	2,582	7,949	3,225	3,673	14,847	16,239
Promotional materials	610	375	524	4,155	5,664	162	1,033	6,859	18,482
Occupancy	22,785	14,020	19,572	27,120	83,497	6,044	38,583	128,124	147,166
Telephone and internet	2,349	1,445	2,018	2,796	8,608	623	3,977	13,208	13,579
Delivery, postage and mailing	921	567	791	1,199	3,478	244	1,559	5,281	6,185
Web hosting	576	355	495	6,799	8,225	153	976	9,354	26,952
Equipment	1,771	1,090	1,521	2,108	6,490	570	2,999	10,059	16,786
Tech support	11,485	2,435	3,399	4,710	22,029	1,050	16,068	39,147	36,348
Printing and photography	843	519	724	13,478	15,564	224	16,377	32,165	20,228
Dues, subscriptions and publications	1,624	956	1,335	6,850	10,765	412	2,631	13,808	14,004
Supplies	1,022	697	878	1,304	3,901	271	1,731	5,903	8,218
Travel	1,845	673	288	597	3,403	238	545	4,186	3,242
In-kind expense	4,098	2,522	7,480	4,878	18,978	6,093	6,940	32,011	46,971
Special events expense	-	-	-	-	-	-	60,940	60,940	72,329
Conferences and meetings	1,991	2,599	4,154	3,884	12,628	1,641	1,705	15,974	37,267
Insurance	966	594	830	1,150	3,540	256	1,636	5,432	4,847
Depreciation and amortization	-	-	-	-	-	4,539	-	4,539	2,741
Miscellaneous	544	439	467	20,796	22,246	155	921	23,322	12,696
Other program expenses	-	95,313	13,587	15,678	124,578	-	-	124,578	56,777
	<u>\$ 2,592,836</u>	<u>292,291</u>	<u>257,858</u>	<u>430,216</u>	<u>3,573,201</u>	<u>113,420</u>	<u>549,574</u>	<u>4,236,195</u>	<u>3,842,016</u>

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

**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2016**

	GRANTMAKING	GRANTEE EDUCATION AND SUPPORT	LEADERSHIP DEVELOPMENT	PUBLIC POLICY AND ADVOCACY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Grants	\$ 1,919,312	-	-	-	1,919,312	-	-	1,919,312
Compensation	211,008	129,277	187,094	248,567	775,946	61,481	303,429	1,140,856
Professional fees	5,146	36,590	28,503	116,911	187,150	20,813	12,828	220,791
Bank fees	2,988	1,831	2,650	3,520	10,989	953	4,297	16,239
Promotional materials	-	-	-	9,241	9,241	9,241	-	18,482
Occupancy	23,928	14,660	21,216	28,187	87,991	24,766	34,409	147,166
Telephone and internet	2,511	1,538	2,226	2,958	9,233	735	3,611	13,579
Delivery, postage and mailing	1,094	701	970	1,289	4,054	558	1,573	6,185
Web hosting	1,250	766	2,608	20,164	24,788	366	1,798	26,952
Equipment	2,973	1,822	2,636	3,503	10,934	1,576	4,276	16,786
Tech support	10,615	2,411	3,489	4,635	21,150	1,152	14,046	36,348
Printing and photography	1,019	624	903	8,258	10,804	882	8,542	20,228
Dues, subscriptions and publications	1,572	963	1,394	6,852	10,781	962	2,261	14,004
Supplies	1,406	878	1,397	1,657	5,338	858	2,022	8,218
Travel	1,356	65	174	714	2,309	754	179	3,242
In-kind expense	3,000	1,838	5,805	3,534	14,177	28,480	4,314	46,971
Special events expense	-	-	-	-	-	-	72,329	72,329
Conferences and meetings	5,241	3,132	10,707	9,565	28,645	5,853	2,769	37,267
Insurance	896	549	795	1,056	3,296	262	1,289	4,847
Depreciation and amortization	-	-	-	-	-	2,741	-	2,741
Miscellaneous	2,201	1,349	1,952	2,648	8,150	1,381	3,165	12,696
Other program expenses	-	23,405	12,288	21,084	56,777	-	-	56,777
	<u>\$ 2,197,516</u>	<u>222,399</u>	<u>286,807</u>	<u>494,343</u>	<u>3,201,065</u>	<u>163,814</u>	<u>477,137</u>	<u>3,842,016</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 (the "Foundation") invests in women and girls as catalysts, building strong communities for all. The Foundation is a not-for-profit organization dedicated to increasing resources and opportunities for women and girls in the Chicago region through grantmaking, leadership development, and public and grantee education. During fiscal year 2017, working with more than 2,000 donors and local partners on the front lines, the Foundation funded 200 projects serving 75,000 women and girls in 6 counties of the Chicago region. Since 1985, the Foundation has awarded nearly 4,000 grants totaling \$30 million to organizations and programs that make life better for women and girls.

For over thirty years, the Foundation has been taking a comprehensive approach to understanding and addressing issues impacting Chicago region women and girls through every stage of their lives. The Foundation convenes and coordinates the efforts of diverse groups and organizations working to better the lives of all women and girls. Through collective impact, the Foundation seeks to achieve large scale systemic change.

Since the Foundation's founding, women and girls have made substantial progress: overall, women in Illinois enjoy a wide range of reproductive rights and freedoms; half of Illinois' statewide elected executive offices are held by women. Women in Illinois rank in the top half of all states for most indicators of social and economic autonomy, earning the state an overall rank of 15th in the nation.

However, a great deal of work still needs to be done to address continuing gender inequalities. In Illinois, women earn 79 cents for every \$1 paid to men and the gap is much higher for women of color. The wage gap costs Illinois women \$39 billion annually in lost income. Half of female-headed households in Illinois are just one financial emergency away from falling into poverty. However, the cost of womanhood in our society is more than financial. 1 in 3 women will experience physical violence in her lifetime, and, in some of our city's neighborhoods, as many as half of all women have been victims of domestic violence. These challenges face the women and girls of Chicago, but they impact all of us. We must find new ways to change the narrative for women and girls, and for our city.

The Foundation improves 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. Because of our broad experience and deep roots in the community, the Foundation remains at the forefront of anticipating new challenges facing women and girls, and takes bold but informed philanthropic risks.

In June of 2016, the Foundation's Board of Directors adopted a new, five-year strategic plan that is a road map for expanded impact via growth in the Foundation's leadership development efforts and leveraging the work of others in support of our mission. The Foundation will maintain its focus on supporting economic security, access to health care and freedom from violence for women and girls while undertaking a significant initiative to lead community collaboration in achieving specific objectives towards gender equity in the Chicago region.

# CHICAGO FOUNDATION FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE 1 - NATURE OF OPERATIONS, CONTINUED

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

### 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 statements of financial position. Investment income or loss (including gains and losses on investments, interest and dividends, and investment fees) 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.

#### Financial Instruments

Financial instruments, which are included in the Foundation's statements of financial position as of June 30, 2017, but not required to be measured at fair value on a recurring basis, consist of cash and cash equivalents, accounts receivable, unconditional promises to give, and accounts payable. The carrying amounts of these assets and liabilities approximate fair value.

#### 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 and amortization of property 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 and amortization are as follows:

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

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

##### 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. Special event revenues are recognized in the fiscal year in which the event is conducted. Payments received in advance are initially recorded as deferred revenue.

##### 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 15). The Foundation recognizes revenue when assets are contributed to the DAF.

##### 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, or are 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 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.

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

##### Permanently Restricted Net Assets

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

##### Accounting 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, changes therein 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.

##### New Accounting Standard – Presentation of Financial Statements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958). ASU No. 2016-14 is intended to simplify how the Foundation classifies its net assets, and also improve the information it presents in the financial statements and notes about liquidity, financial performance and cash flows. ASU No. 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods with fiscal years beginning after December 15, 2018. The Foundation is currently evaluating the methods of adoption allowed by ASU No. 2016-14 and the effect that ASU No. 2016-14 is expected to have on its financial position, results of operations, and cash flows and related disclosures.

##### Subsequent Events

Subsequent events have been evaluated through September 30, 2017, 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, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Corporate bonds	\$ 1,242,707	1,203,529
Straight preferred securities	479,672	593,648
Common stock	4,456,864	3,957,967
Fixed income mutual funds:		
Treasury inflation protected securities	231,728	477,509
Broad domestic	2,117,457	1,145,782
International	389,590	710,145
High yield	472,943	719,300
Emerging markets	237,925	261,887
Equity mutual funds:		
Large cap	955,394	739,122
Small/mid cap	478,154	264,717
International	1,020,037	695,334
Emerging markets	549,232	380,956
Other mutual funds:		
Real estate	307,197	630,632
Commodity	237,808	470,656
Master limited partnerships	515,311	435,903
	<u>\$ 13,692,019</u>	<u>12,687,087</u>

Investment return for the years ended June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 497,447	535,646
Investment fees	( 70,826)	( 69,749)
Realized gain (loss)	55,370	( 165,487)
Unrealized gain (loss)	<u>855,653</u>	<u>( 337,341)</u>
	<u>\$ 1,337,644</u>	<u>( 36,931)</u>

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America have 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 are described below:

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

Level 2            Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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, 2017 and 2016.

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

All 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 method 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 method is 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 \$13,692,019 and \$12,687,087 as of June 30, 2017 and 2016, respectively.

For the years ended June 30, 2017 and 2016, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

#### NOTE 5 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of June 30, 2017 and 2016, are as follows:

Due in less than one year	\$	394,832	356,250
Due in one to two years		250,000	94,821
Due in two to three years		<u>250,000</u>	<u>60,000</u>
Total unconditional promises to give		<u>894,832</u>	<u>511,071</u>
Less: amount representing discount to unconditional promises due in two to three years		<u>( 57,250)</u>	<u>( -)</u>
Net unconditional promises to give	\$	<u>837,582</u>	<u>511,071</u>

#### NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2017 and 2016, consisted of the following:

		<u>2017</u>	<u>2016</u>
Office furniture and equipment	\$	80,051	80,051
Leasehold improvements		<u>8,023</u>	<u>8,023</u>
		88,074	88,074
Less accumulated depreciation and amortization		<u>( 60,497)</u>	<u>( 55,958)</u>
	\$	<u>27,577</u>	<u>32,116</u>

Depreciation and amortization expense was \$4,539 and \$2,741 for the years ended June 30, 2017 and 2016, respectively.

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 7 - LINE OF CREDIT**

The Foundation has a \$75,000 unsecured line of credit. This line expires on October 28, 2017 and bears interest at 3.25%. No balance is owed as of June 30, 2017 or June 30, 2016, under this line-of-credit agreement.

**NOTE 8 - 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>2017</u>	<u>2016</u>
Time restricted for general operating	\$ 216,050	312,500
Domestic violence	247,097	277,472
Catalyst fund grantmaking	75,000	75,000
Emerging organizations	1,700	950
Strategic initiatives	64,167	64,168
Enterprise fund	3,000	5,000
100% project	3,000	-
Advocacy	8,104	-
Englewood initiative	40,000	-
Women's leadership	10,000	-
Donor diversity	125,000	200,000
Nonprofit merger analysis	-	63,245
Women's health series	-	12,500
Endowment return available for future expenditures	<u>692,351</u>	<u>510,769</u>
	\$ <u>1,485,469</u>	<u>1,521,604</u>

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 9 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets released from restrictions during the years ended June 30, 2017 and 2016, because donor restrictions were met by satisfying the stated grant purpose or time or other event, are as follows:

	<u>2017</u>	<u>2016</u>
Time restricted for general operating	\$ 387,500	40,000
Domestic violence	30,375	32,625
Catalyst fund grantmaking	75,000	75,000
Strategic initiatives	64,167	64,167
Enterprise fund	5,000	5,000
Nonprofit merger analysis	63,245	22,255
Women's health series	12,500	-
Emerging organizations	950	-
Thirtieth anniversary	-	202,074
Scholarships	-	1,200
Endowment appropriation	<u>226,775</u>	<u>201,000</u>
	\$ <u>865,512</u>	<u>643,321</u>

**NOTE 10 - 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 10 - 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, 2017 or 2016.

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 10 - ENDOWMENT, CONTINUED**

Endowment Schedules

Changes in endowment net assets for the year ended June 30, 2017:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Endowment net assets, June 30, 2016	\$ -	510,769	4,775,471	5,286,240
Investment return:				
Interest and dividends	-	202,715	-	202,715
Investment fees	-	( 22,610)	-	( 22,610)
Realized loss	-	( 327,140)	-	( 327,140)
Unrealized gain	-	555,349	-	555,349
	-	408,314	-	408,314
Appropriation of endowment assets for expenditures	-	( 226,775)	-	( 226,775)
Contributions	-	-	843,560	843,560
	-	( 226,775)	843,560	616,785
Endowment net assets, June 30, 2017	\$ <u>-</u>	<u>692,308</u>	<u>5,619,031</u>	<u>6,311,339</u>

Endowment net asset composition by type of fund as of June 30, 2017:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Donor-restricted Endowment funds	\$ <u>-</u>	<u>692,308</u>	<u>5,619,031</u>	<u>6,311,339</u>

Changes in endowment net assets for the year ended June 30, 2016:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Endowment net assets, June 30, 2015	\$ -	679,058	4,649,195	5,328,253
Investment return:				
Interest and dividends	-	244,183	-	244,183
Investment fees	-	( 23,047)	-	( 23,047)
Realized loss	-	( 28,913)	-	( 28,913)
Unrealized loss	-	( 159,512)	-	( 159,512)
	-	32,711	-	32,711
Appropriation of endowment assets for expenditures	-	( 201,000)	-	( 201,000)
Contributions	-	-	126,276	126,276
	-	( 201,000)	126,276	( 74,724)
Endowment net assets, June 30, 2016	\$ <u>-</u>	<u>510,769</u>	<u>4,775,471</u>	<u>5,286,240</u>

**CHICAGO FOUNDATION FOR WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 10 - ENDOWMENT, CONTINUED**

Endowment Schedules, Continued

Endowment net asset composition by type of fund as of June 30, 2016:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Donor-restricted Endowment funds	\$ <u>          -</u>	<u>      510,769</u>	<u>   4,775,471</u>	<u>   5,286,240</u>

**NOTE 11 - OPERATING LEASES**

The Foundation has entered into a 123 month non-cancellable operating lease for office space. The initial term of the lease is from January 1, 2016 through March 31, 2026, and is renewable for an additional five year term.

The lease agreement provides for lease incentives including reimbursement of certain costs incurred by the Foundation related to relocation and rent abatement for the first six months 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 \$9,373 to \$11,706 over the term of the lease, plus additional rent for operating expenses and real estate taxes, which are subject to annual adjustment. Rent expense was \$125,454 and \$126,427 for the years ended June 30, 2017 and 2016, respectively.

Additionally, at June 30, 2017, the Foundation had two equipment leases. The terms of the leases expire December 2018 and November 2020, and require minimum monthly payments of \$354 and \$510, respectively.

The aggregate future minimum lease payments under the leases at June 30, 2017, are as follows:

2018	\$	127,101	
2019		127,895	
2020		125,192	
2021		125,708	
2022		128,851	
Thereafter		<u>      511,558</u>	
	\$	<u>   1,146,305</u>	

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 12 - IN-KIND CONTRIBUTIONS**

The Foundation received donated goods and services including airline tickets, catering, printing, management consulting services, and other miscellaneous items totaling \$32,011 and \$46,971 in 2017 and 2016, respectively. These amounts have been recognized as revenue and expense in the statements of activities. In addition, the Foundation received shares of marketable securities with fair market values totaling \$743,117 and \$408,898 in 2017 and 2016, respectively, at the date of the contribution.

**NOTE 13 - 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, 2017 and 2016. 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, 2017 and 2016, totaled \$30,958 and \$26,928, respectively. Employees are immediately fully vested in all contributions and are entitled to accumulated contributions plus investment earnings upon termination or retirement.

**NOTE 14 - JOINT COST OF ACTIVITIES THAT INCLUDE A FUNDRAISING 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 2017 and 2016, included a total of \$25,967 and \$32,598, respectively, of joint costs that are not directly attributable to program, management and general or fundraising components of the activities. These joint costs were allocated as follows:

	<u>2017</u>	<u>2016</u>
Public policy and advocacy	\$ 12,984	16,299
Management	3,428	9,241
Fundraising	<u>9,555</u>	<u>7,058</u>
Total	\$ <u>25,967</u>	<u>32,598</u>

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 15 - DONOR ADVISED FUNDS**

The Foundation has received contributions to be held in 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, 2017 and 2016, was as follows:

	<u>2017</u>	<u>2016</u>
Assets, beginning of the year	\$ 677,359	686,717
Contributions received	100,148	52,795
Investment return, net of advisor fees	54,136	( 3,978)
Grants and program expenditures	( 86,750)	( 55,500)
Administrative charges	( <u>4,338</u> )	( <u>2,675</u> )
Assets, end of year	\$ <u><u>740,555</u></u>	<u><u>677,359</u></u>

**NOTE 16 - 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 2013, 2014 and 2015 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 the Internal Revenue Service.

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, 2017 and 2016.



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



1707 N. Randall Road, Suite 200 ■ Elgin, Illinois 60123  
847.888.8600 Fax: 847.888.0635 ■ www.muellercpa.com

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

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, 2017 and 2016, 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 2017 and 2016 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, 2017 and 2016, taken as a whole.

*Mueller & Co., LLP*

Elgin, Illinois  
September 20, 2017

CHICAGO FOUNDATION FOR WOMEN

SUPPLEMENTARY SCHEDULES OF UNRESTRICTED ACTIVITIES

YEAR ENDED JUNE 30, 2017

	GENERAL	DONOR ADVISED FUNDS	TOTAL UNRESTRICTED
<b>Support and revenue:</b>			
Contributions and grants	\$ 1,800,690	100,148	1,900,838
Special events, net of direct benefits to donors of \$152,600	1,092,886	-	1,092,886
Investment return, net	875,152	54,136	929,288
In-kind contributions	32,011	-	32,011
Other income	497	-	497
	<u>3,801,236</u>	<u>154,284</u>	<u>3,955,520</u>
<b>Net assets released from restrictions</b>	<u>865,512</u>	<u>-</u>	<u>865,512</u>
Total support and revenue	<u>4,666,748</u>	<u>154,284</u>	<u>4,821,032</u>
<b>Expenses:</b>			
Program services:			
Grantmaking	2,506,086	86,750	2,592,836
Grantee education and support	292,291	-	292,291
Leadership development	257,858	-	257,858
Public policy and advocacy	430,216	-	430,216
	<u>3,486,451</u>	<u>86,750</u>	<u>3,573,201</u>
Management and general	109,082	4,338	113,420
Fundraising	549,574	-	549,574
	<u>658,656</u>	<u>4,338</u>	<u>662,994</u>
Total expenses	<u>4,145,107</u>	<u>91,088</u>	<u>4,236,195</u>
Change in net assets	521,641	63,196	584,837
Net assets, beginning of year	<u>6,753,886</u>	<u>677,359</u>	<u>7,431,245</u>
Net assets, end of year	<u>\$ 7,275,527</u>	<u>740,555</u>	<u>8,016,082</u>

See Independent Auditors' Report on Supplementary Information.

CHICAGO FOUNDATION FOR WOMEN

SUPPLEMENTARY SCHEDULES OF UNRESTRICTED ACTIVITIES

YEAR ENDED JUNE 30, 2016

	GENERAL	DONOR ADVISED FUNDS	TOTAL UNRESTRICTED
<b>Support and revenue:</b>			
Contributions and grants	\$ 1,931,272	52,795	1,984,067
Special events, net of direct benefits to donors of \$174,122	1,220,037	-	1,220,037
Investment return, net	(65,664)	(3,978)	(69,642)
In-kind contributions	46,971	-	46,971
Gain on sale of asset	35,000	-	35,000
Other income	12,584	-	12,584
	<u>3,180,200</u>	<u>48,817</u>	<u>3,229,017</u>
<b>Net assets released from restrictions</b>	<u>643,321</u>	<u>-</u>	<u>643,321</u>
Total support and revenue	<u>3,823,521</u>	<u>48,817</u>	<u>3,872,338</u>
<b>Expenses:</b>			
Program services:			
Grantmaking	2,142,016	55,500	2,197,516
Grantee education and support	222,399	-	222,399
Leadership development	286,807	-	286,807
Public policy and advocacy	494,343	-	494,343
	<u>3,145,565</u>	<u>55,500</u>	<u>3,201,065</u>
Management and general	161,139	2,675	163,814
Fundraising	477,137	-	477,137
	<u>638,276</u>	<u>2,675</u>	<u>640,951</u>
Total expenses	<u>3,783,841</u>	<u>58,175</u>	<u>3,842,016</u>
Change in net assets	39,680	(9,358)	30,322
Net assets, beginning of year	<u>6,714,206</u>	<u>686,717</u>	<u>7,400,923</u>
Net assets, end of year	<u>\$ 6,753,886</u>	<u>677,359</u>	<u>7,431,245</u>

See Independent Auditors' Report on Supplementary Information.