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**CHICAGO FOUNDATION FOR WOMEN  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2016 AND 2015**

Beth A. Ulbrich

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Elgin, Illinois 60123

## 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>Supplemental Information</b>	
Independent Auditors' Report on Supplemental Information .....	23
Supplemental Schedules of Unrestricted Activities.....	24-25



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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, 2016 and 2015, 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, 2016 and 2015, 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 19, 2016

**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

**ASSETS**

	2016	2015
Cash and cash equivalents	\$ 717,845	375,426
Investments	12,687,087	13,256,162
Accounts receivable	26,682	20,000
Unconditional promises to give	511,071	82,321
Prepaid expenses and other assets	81,238	70,827
Property and equipment, net of accumulated depreciation of \$55,958 in 2016 and \$97,922 in 2015	32,116	16,858
	\$ 14,056,039	13,821,594

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable	\$ 18,480	38,877
Accrued expenses	17,254	17,932
Deferred revenue	231,545	290,100
Deferred lease incentives	60,440	22,970
	327,719	369,879

**Net assets:**

Unrestricted:		
Board designated	-	132,800
Board reserve fund	500,000	500,000
Undesignated	6,931,245	6,768,123
Temporarily restricted	1,521,604	1,401,597
Permanently restricted	4,775,471	4,649,195
	13,728,320	13,451,715
	\$ 14,056,039	13,821,594

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

CHICAGO FOUNDATION FOR WOMEN

STATEMENTS 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	(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 ACTIVITIES**

**YEAR ENDED JUNE 30, 2015**

	<u>UNRESTRICTED*</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<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
Fundraising	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 before other changes	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 CASH FLOWS**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Cash (applied to) provided by operating activities:</b>		
Change in net assets	\$ 276,605	(369,819)
Adjustments to reconcile change in net assets to net cash applied to operating activities:		
Depreciation	2,741	2,241
Gain on sale of property and equipment	(35,000)	-
Net realized and unrealized loss on investments	502,828	498,351
Contribution of equity securities	(408,898)	(559,210)
Changes in:		
Accounts receivable	(6,682)	(20,000)
Unconditional promises to give	(428,750)	12,679
Prepaid expenses and other assets	(10,411)	(28,067)
Accounts payable	(20,397)	13,637
Accrued expenses	(678)	(321)
Deferred revenue	(58,555)	(41,200)
Deferred lease incentives	37,470	(42,767)
Contributions restricted for long-term purposes - endowment	(126,276)	(293,698)
	(276,003)	(828,174)
<b>Cash (applied to) provided by investing activities:</b>		
Proceeds from sale of investments	2,289,418	3,613,039
Purchase of investments	(1,814,273)	(3,727,194)
Proceeds from sales of property and equipment	50,000	-
Purchases of property and equipment	(32,999)	-
	492,146	(114,155)
<b>Cash provided by financing activities -</b>		
Contributions restricted for long-term purposes - endowment	126,276	293,698
Net increase (decrease) in cash and cash equivalents	342,419	(648,631)
Cash and cash equivalents, beginning of year	375,426	1,024,057
Cash and cash equivalents, end of year	\$ 717,845	375,426
<b>Noncash investing transactions -</b>		
Contribution of equity securities	\$ 408,898	559,210

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



**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015**

	GRANTMAKING	GRANTEE EDUCATION AND SUPPORT	LEADERSHIP DEVELOPMENT	PUBLIC POLICY AND ADVOCACY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES 2016	TOTAL EXPENSES 2015
Grants	\$ 1,919,312	-	-	-	1,919,312	-	-	1,919,312	2,182,712
Compensation	211,008	129,277	187,094	248,567	775,946	61,481	303,429	1,140,856	1,078,611
Professional fees	5,146	36,590	28,503	116,911	187,150	20,813	12,828	220,791	263,923
Bank fees	2,988	1,831	2,650	3,520	10,989	953	4,297	16,239	13,376
Promotional materials	-	-	-	9,241	9,241	9,241	-	18,482	13,336
Occupancy	23,928	14,660	21,216	28,187	87,991	24,766	34,409	147,166	124,848
Telephone and internet	2,511	1,538	2,226	2,958	9,233	735	3,611	13,579	9,570
Delivery, postage and mailing	1,094	701	970	1,289	4,054	558	1,573	6,185	3,714
Web hosting	1,250	766	2,608	20,164	24,788	366	1,798	26,952	15,119
Equipment	2,973	1,822	2,636	3,503	10,934	1,576	4,276	16,786	19,570
Tech support	10,615	2,411	3,489	4,635	21,150	1,152	14,046	36,348	31,725
Printing and photography	1,019	624	903	8,258	10,804	882	8,542	20,228	39,511
Dues, subscriptions and publications	1,572	963	1,394	6,852	10,781	962	2,261	14,004	13,172
Supplies	1,406	878	1,397	1,657	5,338	858	2,022	8,218	6,070
Travel	1,356	65	174	714	2,309	754	179	3,242	3,700
In-kind expense	3,000	1,838	5,805	3,534	14,177	28,480	4,314	46,971	37,171
Special events expense	-	-	-	-	-	-	72,329	72,329	71,945
Conferences and meetings	5,241	3,132	10,707	9,565	28,645	5,853	2,769	37,267	37,293
Insurance	896	549	795	1,056	3,296	262	1,289	4,847	4,780
Depreciation	-	-	-	-	-	2,741	-	2,741	2,241
Miscellaneous	2,201	1,349	1,952	2,648	8,150	1,381	3,165	12,696	5,039
Other program expenses	-	23,405	12,288	21,084	56,777	-	-	56,777	38,257
	<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>	<u>4,015,683</u>

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

**CHICAGO FOUNDATION FOR WOMEN**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**JUNE 30, 2015**

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

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) 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 Area through grantmaking, leadership development, and public and grantee education. During fiscal year 2016, working with more than 2,000 donors and local partners on the front lines, the Foundation funded 150 projects serving 70,000 women and girls in 4 counties of the Chicago Area. Since 1985, the Foundation has awarded 3,500 grants totaling \$28 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 Area 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 women and girls. Through collective impact, the Foundation seeks to achieve large scale system 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.

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 equality in the Chicago region.

The ultimate goal of all of the Foundation's work is to create lasting, positive change in the lives of 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.

## 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, interest and dividends) 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. Special event revenues are recognized in the fiscal year in which the event is conducted.

##### 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**

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 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 19, 2016, 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, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Corporate bonds	\$ 1,203,529	953,200
Straight preferred securities	593,648	872,511
Common stock	3,957,967	4,254,802
Fixed income mutual funds:		
Treasury inflated protected securities	477,509	470,527
Broad domestic	1,145,782	1,164,589
International bonds	710,145	692,086
High yield	719,300	837,319
Emerging markets bond	261,887	272,232
Equity mutual funds:		
Large cap	739,122	567,378
Small/mid cap	264,717	346,762
International	695,334	681,795
Emerging markets	380,956	431,525
Other mutual funds:		
Real estate funds	630,632	652,721
Commodity funds	470,656	532,919
Master limited partnerships	435,903	525,796
	<u>\$ 12,687,087</u>	<u>13,256,162</u>

Investment return for the years ended June 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 535,646	594,616
Investment fees	( 69,749)	( 73,672)
Realized gain (loss)	( 165,487)	204,466
Unrealized loss	( 337,341)	( 702,817)
	<u>\$ ( 36,931)</u>	<u>22,593</u>

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting standards generally accepted by the United States of America 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 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, 2016 and 2015.

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 \$11,483,558 and \$12,302,962 as of June 30, 2016 and 2015, respectively, and Level 2 inputs, which consisted of Corporate Bonds totaling \$1,203,529 and \$953,200 as of June 30, 2016 and 2015, respectively.

**NOTE 5 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give, \$511,071 as of June 30, 2016, are expected to be received as follows:

2017	\$ 356,250
2018	94,821
2019	60,000

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Office furniture and equipment	\$ 80,051	92,280
Donated artwork	-	15,000
Leasehold improvements	<u>8,023</u>	<u>7,500</u>
	88,074	114,780
Less accumulated depreciation	<u>( 55,958)</u>	<u>( 97,922)</u>
	<u>\$ 32,116</u>	<u>16,858</u>

Depreciation expense included in program and support services was \$2,741 and \$2,241 for the years ended June 30, 2016 and 2015, 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>2016</u>	<u>2015</u>
Women's health series	\$ 12,500	-
Time restricted for general operating	200,000	41,200
Domestic violence	277,472	310,097
Catalyst fund grantmaking	75,000	75,000
Emerging organizations	950	-
Strategic initiatives	64,168	64,166
Enterprise fund	5,000	5,000
Nonprofit merger analysis	63,245	25,000
Thirtieth anniversary	-	202,076
General operating	112,500	-
Donor diversity	200,000	-
Endowment return available for future expenditures	<u>510,769</u>	<u>679,058</u>
	\$ <u>1,521,604</u>	<u>1,401,597</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, 2016 and 2015, because donor restrictions were met by satisfying the stated grant purpose or time or other event, are as follows:

	<u>2016</u>	<u>2015</u>
General operating	\$ -	187,685
Time restricted for general operating	40,000	-
Scholarships	1,200	-
Women's health series	-	10,000
Grants	-	1,010,000
Domestic violence	32,625	33,750
Catalyst fund grantmaking	75,000	-
Strategic initiatives	64,167	-
Enterprise fund	5,000	5,000
Nonprofit merger analysis	22,255	-
Leadership development	-	20,000
Women of color outreach	-	149,750
Women civic agenda/100% project	-	115,000
Cultivate	-	25,000
Thirtieth anniversary	202,074	-
Endowment appropriation	<u>201,000</u>	<u>204,000</u>
	<u>\$ 643,321</u>	<u>1,760,185</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, 2016 or 2015.

**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, 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	-	247,183
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>

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>

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>

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 9 - ENDOWMENT, CONTINUED**

Endowment Schedules, Continued

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>

**NOTE 10 - 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.

Additionally, at June 30, 2016, 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, 2016 are as follows:

2017	\$	122,407
2018		120,981
2019		121,775
2020		122,642
2021		125,708
Thereafter		<u>      640,409</u>
	\$	<u>   1,253,922</u>

## CHICAGO FOUNDATION FOR WOMEN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### **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 \$46,971 and \$37,171 in 2016 and 2015, 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 \$408,898 and \$559,210, in 2016 and 2015 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, 2016 and 2015. 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, 2016 and 2015 totaled \$26,928 and \$25,231, 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 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 2016 and 2015 included a total of \$32,598 and \$41,154 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>2016</u>	<u>2015</u>
Public Policy and Advocacy	\$ 16,299	14,288
Management	9,241	6,668
Fundraising	7,058	13,909
Leadership development	-	6,289
Total	\$ <u>32,598</u>	<u>41,154</u>

CHICAGO FOUNDATION FOR WOMEN

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

**NOTE 14 - 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, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Assets, beginning of the year	\$ 686,717	741,934
Contributions received	52,795	66,418
Investment return, net of advisor fees	( 3,978)	( 36,060)
Grants and program expenditures	( 55,500)	( 81,500)
Administrative charges	( <u>2,675</u> )	( <u>4,075</u> )
Assets, end of year	\$ <u>677,359</u>	<u>686,717</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 2012, 2013 and 2014 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, 2016 and 2015.

**NOTE 16 - LINE OF CREDIT**

The Foundation has a \$75,000 unsecured line of credit. This line expires on October 29, 2016 and bears interest at 3.25%. No balance is owed as of June 30, 2016 or June 30, 2015 under this line-of-credit agreement. All financial covenants were met or waived for the year ended June 30, 2016.



**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 ON SUPPLEMENTAL 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, 2016 and 2015 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 2016 and 2015 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, 2016 and 2015 taken as a whole.

*Mueller & Co., LLP*

Elgin, Illinois  
October 19, 2016

CHICAGO FOUNDATION FOR WOMEN

SUPPLEMENTAL 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	(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 Supplemental Information.

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
Fundraising	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>

See Independent Auditors' Report on Supplemental Information.