

Assurance

CHICAGO FOUNDATION FOR WOMEN

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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**CHICAGO FOUNDATION FOR WOMEN
AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Chicago Foundation for Women

We have audited the accompanying financial statements of Chicago Foundation for Women (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of activities without donor restrictions on pages 27 - 28 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 audit 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 financial statements as a whole.

PKF Mueller

Chicago, Illinois
October 27, 2021

**CHICAGO FOUNDATION FOR WOMEN
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,449,966	1,151,061
Investments	18,737,139	15,873,502
Accounts receivable	1,683	6,440
Unconditional promises to give	100,000	270,000
Prepaid expenses and other assets	89,736	74,261
Property and equipment, net of accumulated depreciation and amortization of \$77,847 and \$73,119	<u>25,119</u>	<u>21,199</u>
Total assets	<u>\$ 20,403,643</u>	<u>17,396,463</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 47,233	21,053
Grants payable	615,375	105,500
Accrued expenses	15,249	22,727
Deferred revenue	236,390	8,000
Deferred lease incentives	84,868	71,053
Paycheck Protection Program loan	<u>239,150</u>	<u>-</u>
Total liabilities	<u>1,238,265</u>	<u>228,333</u>

Net assets:

Without donor restrictions:		
Undesignated	8,596,851	7,577,391
Board-designated reserve fund	<u>1,000,000</u>	<u>1,000,000</u>
Total without donor restrictions	<u>9,596,851</u>	<u>8,577,391</u>
With donor restrictions:		
Purpose restrictions	2,306,753	1,323,308
Time restrictions	765,000	1,100,000
Endowment funds	<u>6,496,774</u>	<u>6,167,431</u>
Total with donor restrictions	<u>9,568,527</u>	<u>8,590,739</u>
Total net assets	<u>19,165,378</u>	<u>17,168,130</u>
Total liabilities and net assets	<u>\$ 20,403,643</u>	<u>17,396,463</u>

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	WITHOUT DONOR RESTRICTIONS*	WITH DONOR RESTRICTIONS			TOTAL
		TIME AND PURPOSE RESTRICTIONS	ENDOWMENT FUNDS	TOTAL WITH DONOR RESTRICTIONS	
Support and revenue:					
Contributions and grants	\$ 2,546,757	589,000	329,343	918,343	3,465,100
Special events	60,765	-	-	-	60,765
Investment return, net	2,269,142	1,444,349	-	1,444,349	3,713,491
Fee for service	1,000	-	-	-	1,000
In-kind contributions	25,695	-	-	-	25,695
Other income	6,066	-	-	-	6,066
Net assets released from restrictions	<u>1,384,904</u>	<u>(1,384,904)</u>	<u>-</u>	<u>(1,384,904)</u>	<u>-</u>
Total support and revenue	<u>6,294,329</u>	<u>648,445</u>	<u>329,343</u>	<u>977,788</u>	<u>7,272,117</u>
Expenses:					
Program services:					
Grantmaking	3,439,573	-	-	-	3,439,573
Strategic initiatives	220,064	-	-	-	220,064
Capacity building	253,274	-	-	-	253,274
Outreach	<u>544,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,496</u>
Total program services	<u>4,457,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,457,407</u>
Supporting services:					
Management and general	185,663	-	-	-	185,663
Fundraising	<u>631,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,799</u>
Total supporting services	<u>817,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>817,462</u>
Total expenses	<u>5,274,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,274,869</u>
Change in net assets	1,019,460	648,445	329,343	977,788	1,997,248
Net assets, beginning of year	<u>8,577,391</u>	<u>2,423,308</u>	<u>6,167,431</u>	<u>8,590,739</u>	<u>17,168,130</u>
Net assets, end of year	<u>\$ 9,596,851</u>	<u>3,071,753</u>	<u>6,496,774</u>	<u>9,568,527</u>	<u>19,165,378</u>

* Please refer to *Supplementary Schedule of Activities Without Donor Restrictions* on page 27 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, 2020**

	WITHOUT DONOR RESTRICTIONS*	WITH DONOR RESTRICTIONS			TOTAL
		TIME AND PURPOSE RESTRICTIONS	ENDOWMENT FUNDS	TOTAL WITH DONOR RESTRICTIONS	
Support and revenue:					
Contributions and grants	\$ 2,579,681	1,438,390	2,600	1,440,990	4,020,671
Special events, net of direct benefit to donors of \$153,507	1,049,040	-	-	-	1,049,040
Investment loss, net	(122,186)	(184,049)	-	(184,049)	(306,235)
Fee for service	9,500	-	-	-	9,500
In-kind contributions	21,370	-	-	-	21,370
Other income	8,318	-	-	-	8,318
Net assets released from restrictions	<u>1,191,757</u>	<u>(1,191,757)</u>	<u>-</u>	<u>(1,191,757)</u>	<u>-</u>
Total support and revenue	<u>4,737,480</u>	<u>62,584</u>	<u>2,600</u>	<u>65,184</u>	<u>4,802,664</u>
Expenses:					
Program services:					
Grantmaking	2,584,199	-	-	-	2,584,199
Strategic initiatives	352,850	-	-	-	352,850
Capacity building	443,665	-	-	-	443,665
Outreach	<u>422,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,481</u>
Total program services	<u>3,803,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,803,195</u>
Supporting services:					
Management and general	175,067	-	-	-	175,067
Fundraising	<u>739,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,688</u>
Total supporting services	<u>914,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>914,755</u>
Total expenses	<u>4,717,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,717,950</u>
Change in net assets	19,530	62,584	2,600	65,184	84,714
Net assets, beginning of year	<u>8,557,861</u>	<u>2,360,724</u>	<u>6,164,831</u>	<u>8,525,555</u>	<u>17,083,416</u>
Net assets, end of year	<u>\$ 8,577,391</u>	<u>2,423,308</u>	<u>6,167,431</u>	<u>8,590,739</u>	<u>17,168,130</u>

* Please refer to *Supplementary Schedule of Activities Without Donor Restrictions* on page 28 for further detail.

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	PROGRAM SERVICES				TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	GRANTMAKING	STRATEGIC INITIATIVES	CAPACITY BUILDING	OUTREACH		MANAGEMENT AND GENERAL	FUNDRAISING		
Grants	\$ 3,209,500	-	-	-	3,209,500	-	-	-	3,209,500
Compensation	169,805	89,777	139,146	295,901	694,629	89,537	455,014	544,551	1,239,180
Professional fees	11,738	106,666	47,238	82,655	248,297	52,037	31,454	83,491	331,788
Bank fees	1,900	1,004	1,556	3,310	7,770	1,012	5,090	6,102	13,872
Occupancy	13,455	7,114	11,024	23,445	55,038	7,094	36,053	43,147	98,185
Telephone and internet	3,862	2,042	3,165	6,731	15,800	3,731	10,349	14,080	29,880
Delivery, postage, and mailing	415	219	379	724	1,737	219	1,113	1,332	3,069
Web hosting	2,682	1,561	2,420	15,201	21,864	1,258	16,970	18,228	40,092
Equipment	1,375	726	1,126	2,395	5,622	857	3,684	4,541	10,163
Tech support	7,474	1,165	1,805	3,839	14,283	1,305	9,468	10,773	25,056
Printing and photography	1,458	771	1,195	20,145	23,569	683	16,407	17,090	40,659
Dues, subscriptions, and publications	6,118	1,871	388	826	9,203	1,495	7,014	8,509	17,712
Supplies	423	223	347	737	1,730	1,541	1,133	2,674	4,404
Travel	22	12	18	38	90	228	59	287	377
Special events expense	-	-	-	400	400	-	13,197	13,197	13,597
Conferences and meetings	973	514	4,567	5,430	11,484	838	2,606	3,444	14,928
Insurance	755	399	618	1,314	3,086	397	2,021	2,418	5,504
Depreciation and amortization	-	-	-	-	-	4,728	-	4,728	4,728
Miscellaneous	7,618	4,028	7,008	75,705	94,359	18,703	20,167	38,870	133,229
Other program expenses	-	1,972	31,274	5,700	38,946	-	-	-	38,946
Total expenses	<u>\$ 3,439,573</u>	<u>220,064</u>	<u>253,274</u>	<u>544,496</u>	<u>4,457,407</u>	<u>185,663</u>	<u>631,799</u>	<u>817,462</u>	<u>5,274,869</u>

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	PROGRAM SERVICES				TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	GRANTMAKING	STRATEGIC INITIATIVES	CAPACITY BUILDING	OUTREACH		MANAGEMENT AND GENERAL	FUNDRAISING		
Grants	\$ 2,302,300	-	-	-	2,302,300	-	-	-	2,302,300
Compensation	214,945	176,947	238,600	246,236	876,728	111,044	475,895	586,939	1,463,667
Professional fees	20,489	137,531	119,869	92,079	369,968	27,539	45,364	72,903	442,871
Bank fees	2,733	2,250	3,033	3,130	11,146	1,706	6,050	7,756	18,902
Promotional materials	-	-	-	7,200	7,200	7,200	-	7,200	14,400
Occupancy	19,948	16,421	22,143	22,852	81,364	10,173	44,165	54,338	135,702
Telephone and internet	3,243	2,669	3,600	3,715	13,227	1,654	7,179	8,833	22,060
Delivery, postage, and mailing	423	348	470	485	1,726	291	968	1,259	2,985
Web hosting	1,925	1,585	2,137	15,299	20,946	982	15,927	16,909	37,855
Equipment	1,642	1,352	1,823	1,881	6,698	927	3,636	4,563	11,261
Tech support	6,143	1,130	1,524	1,572	10,369	1,395	3,039	4,434	14,803
Printing and photography	498	410	552	10,227	11,687	254	10,758	11,012	22,699
Dues, subscriptions, and publications	2,559	2,330	650	227	5,766	1,674	5,665	7,339	13,105
Supplies	807	708	940	924	3,379	656	1,786	2,442	5,821
Travel	574	651	905	1,177	3,307	426	885	1,311	4,618
In-kind expense	2,940	2,420	4,258	3,743	13,361	1,499	6,510	8,009	21,370
Special events expense	-	-	-	-	-	-	258,632	258,632	258,632
Conferences and meetings	202	167	22,508	5,587	28,464	726	475	1,201	29,665
Insurance	847	697	940	971	3,455	432	1,876	2,308	5,763
Depreciation and amortization	-	-	-	-	-	4,984	-	4,984	4,984
Miscellaneous	1,981	1,856	2,199	2,790	8,826	1,505	4,385	5,890	14,716
Other program expenses	-	3,378	17,514	2,386	23,278	-	-	-	23,278
Total expenses	2,584,199	352,850	443,665	422,481	3,803,195	175,067	893,195	1,068,262	4,871,457
Less expenses included with support and revenues on the statement of activities:									
Cost of direct benefit to donors	-	-	-	-	-	-	(153,507)	(153,507)	(153,507)
Total expenses included in the expense section on the statement of activities	\$ 2,584,199	352,850	443,665	422,481	3,803,195	175,067	739,688	914,755	4,717,950

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
Cash provided by (applied to) operating activities:		
Change in net assets	\$ 1,997,248	84,714
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities:		
Depreciation and amortization	4,728	4,984
Net realized and unrealized (gains) losses on investments	(3,249,558)	803,457
Contributions restricted for long-term purposes	(329,343)	(2,600)
Changes in:		
Accounts receivable	4,757	(3,475)
Unconditional promises to give	170,000	450,000
Prepaid expenses and other assets	(15,475)	11,910
Accounts payable	26,180	4,648
Grants payable	509,875	105,500
Accrued expenses	(7,478)	5,334
Deferred revenue	228,390	(156,601)
Deferred lease incentives	13,815	(1,761)
	<u>(646,861)</u>	<u>1,306,110</u>
Net cash provided by (applied to) operating activities		
Cash provided by (applied to) investing activities:		
Proceeds from sale of investments	9,502,888	7,054,789
Purchases of investments	(9,116,967)	(7,722,738)
Purchases of property and equipment	(8,648)	-
	<u>377,273</u>	<u>(667,949)</u>
Net cash provided by (applied to) investing activities		
Cash provided by financing activities:		
Contributions restricted for long-term purposes	329,343	2,600
Proceeds from Paycheck Protection Program loan	239,150	-
	<u>568,493</u>	<u>2,600</u>
Net cash provided by financing activities		
Net increase in cash and cash equivalents	298,905	640,761
Cash and cash equivalents, beginning of year	<u>1,151,061</u>	<u>510,300</u>
Cash and cash equivalents, end of year	<u>\$ 1,449,966</u>	<u>1,151,061</u>

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

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1 - NATURE OF OPERATIONS

Since its inception in 1985, Chicago Foundation for Women (CFW) has been a leading voice in the effort to achieve basic rights and equal opportunities for women and girls. Today, 36 years later, CFW has grown significantly to be a critical partner in the global women's funding movement and the only organization in our region taking a comprehensive approach to addressing the issues facing Chicago's women and girls through every stage of their lives.

CFW recognizes that few community problems can be resolved without programs and strategies that intentionally address the needs of women and girls. To date, the Foundation has awarded more than 4,500 grants to hundreds of organizations totaling over \$42 million. In addition, CFW's investments in advocacy and its participation in coalitions, as well as its work building the leadership of advocates, have supported the passage of 56 pieces of pro-women-and-girls legislation over the past five years. This has included the Equal Rights Amendment in Illinois, the No Salary History law that strengthens the Illinois Equal Pay Act, the Illinois Reproductive Health Act, and a statewide sexual harassment law. Thanks to the past, sustained support of these movements, and their infrastructure, even in times of more intense political opposition, CFW and its partners have been able to harness the opportunity of the current political climate to drive progressive change. As a result, Illinois is increasingly becoming a beacon for women's rights in a nationally polarizing and oppressive sociopolitical context.

However, a great deal of work remains to address continuing gender inequalities. COVID-19 uncovered the preexisting structural gender disparities facing our region and our country. For 36 years, CFW has been at the forefront, alongside our grantee partners, fighting against the structural inequalities that are now top of mind for our society. As this pandemic rages on, women are disproportionately represented on the front lines of this fight and in industries crippled by the economic fallout – leaving them, many of whom are the primary breadwinner for their families, with reduced or no income and oftentimes, no health, sick leave, or childcare benefits at all. It is the unfortunate reality that women, particularly Women of Color, are quite literally carrying the burden of this pandemic on their backs.

CFW works with a community of socially-minded investors who share our passion for improving the lives of women, girls, trans, and gender nonbinary individuals and ensures that every dollar they give achieves maximum impact. We hold ourselves and our grantees to a high standard, conducting rigorous evaluation, careful monitoring, and are results-oriented. CFW invests in the future of organizations through leadership development and building sustainable nonprofit infrastructure. As a result, two-thirds of nonprofits for which CFW was the first institutional, or 'seed' funder, are still thriving ten years after receiving their first CFW grant.

CFW takes a three-pronged approach to achieve its mission: 1) advocating for underserved women and girls; 2) providing grant support to both emerging and established organizations; and 3) offering an innovative array of leadership development and capacity building programming. Serving as a backbone organization, CFW convenes and coordinates the efforts of diverse groups and organizations working to better the lives of women and girls. Through collective impact, CFW seeks to achieve large-scale systemic change.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1 - NATURE OF OPERATIONS, CONTINUED

Recent examples of CFW's impact include:

- Over the past three years, CFW's investments in job skills training and stabilization services have helped over 1,600 women to increase their annual earnings by an average of \$16,000 each. That means over \$25 million additional dollars in women's pockets, each year.
- CFW has invested in the growth and development of over 1,500 women leaders in Chicago, with a focus on support for Women of Color.
- Since the beginning of the Englewood Women's Initiative (EWI) in 2017, 137 women have been tracked through EWI programming. In year 4, 46% have seen career advancements. These advancements include beginning a job that pays at least \$40,000/year (or a job that sets them on a clear pathway to attain this level of income). It also includes those who have seen an increase in their income/wages and/or benefits at their current job, women who received a business loan to start or grow their businesses, and women who have enrolled in post-secondary education programs, completing trades/manufacturing jobs, and other job readiness and training programs.
- In fiscal year 2021, CFW made the most significant grantmaking investment in its history of \$3.2 million to 167 organizations throughout an ongoing global pandemic.
- In spring of 2021, CFW launched SHEcovery™, a roadmap to address COVID-19's impact on women and girls focused on getting women back to work, addressing the eviction crisis, caring for our caregivers, and demanding an anti-racist healthcare system. With this comes a commitment to raise and distribute significant resources against these ambitious but critical goals.

CFW has a bold long-term vision of achieving gender and racial equity in our lifetime through increased impact by effectively empowering communities to address these challenges collectively. During these uncertain times, CFW has never been more certain about what it will take to rebuild our city, and our region, on a foundation of justice, equity, and opportunity. Make no mistake; there is no single solution to end inequity. If we want Chicago to work for all of us, it will take all of us doing our part. It will take new levels of coordination, collaboration, and investment in women, girls, trans, and gender nonbinary individuals that our region has not seen before.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles applicable to not-for-profit organizations and in accordance with accounting principles generally accepted in the United States of America.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents

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

Concentration of Credit Risk

During 2020 and 2021, CFW maintained cash balances at several financial institutions. Accounts at each institution were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. CFW believes it is not exposed to significant credit risk on these accounts.

Financial Instruments

Financial instruments, which are included in CFW's statement of financial position as of June 30, 2021 and 2020, 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 and grants payable. The carrying amounts of these assets and liabilities approximate fair value.

Investments

Investments are reported at fair value in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses, interest, and dividends) is reported net of external and direct internal investment expenses and is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Unconditional Promises to Give

CFW records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at the present value of estimated future cash flows. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. CFW determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2021 and 2020, an allowance for uncollectible promises to give was deemed not necessary.

Property and Equipment

Property and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. CFW capitalizes property and equipment over \$1,000 that have a useful life of more than one year. 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, CFW reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment, Continued

Depreciation and amortization of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. 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

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – These include net assets available for use in general operations and not subject to donor-imposed restrictions. The Board of Directors of CFW (Board) has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – These include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. CFW reports conditional contributions restricted by donors as increases in net assets without donor restrictions if both the condition (that is, the necessary barrier was overcome) and restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Change in Accounting Principles – Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Accounting Standards Codification 605, *Revenue Recognition*. ASU No. 2014-09 provides for a single five-step model to be applied to all revenue contracts with customers. ASU No. 2014-09 also requires additional financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. For the year ended June 30, 2021, CFW adopted ASU No. 2014-09 and has adjusted the presentation in these financial statements accordingly. ASU No. 2014-09 has been applied using the modified retrospective method to all periods presented and resulted in no changes to previously reported net assets as there were no significant changes to the way CFW recognizes revenue.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Change in Accounting Principles – Revenue from Contracts with Customers, Continued

CFW also elected to use the portfolio approach practical expedient. CFW's contracts with customers contain similar terms and as a result, CFW has elected to apply its revenue recognition policies to a portfolio of contracts with similar characteristics. CFW does not expect the results of doing so to differ materially from applying the guidance to individual contracts.

Revenue and Support Recognition

CFW recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. CFW recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Special event revenue is recognized at the point in time the event takes place as this represents the point at which the goods or services are provided to the customer. CFW occasionally performs services for other organizations and the fees for these services are recorded as revenue at the time the services are performed. Amounts received in advance are reported as deferred revenue in the statements of financial position.

CFW recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of June 30, 2021 and 2020.

Donor Advised Funds

The Donor Advised Funds (DAF) consist of contributions without donor restrictions, which are reported within investments and are recorded at fair value (see Note 16). CFW recognizes revenue when assets are contributed to the DAF.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort, except grant expenses, which are 100% program, and depreciation and amortization and audit fees, which are 100% management and general.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes

CFW 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.

CFW has evaluated the tax positions taken for all open tax years. Currently, the 2018, 2019 and 2020 tax years are open and subject to examination by the Internal Revenue Service; however, CFW is not currently under audit nor has CFW been contacted by this jurisdiction.

Based on the evaluation of CFW'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, 2021 and 2020.

Accounting Estimates

The preparation of financial statements in accordance 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, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principles – Fair Value Measurement

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement, which modifies certain disclosure requirements for reporting fair value measurements. CFW adopted this guidance on a retrospective basis as of July 1, 2020 and has adjusted the presentation in these financial statements accordingly. The adoption did not have a material impact on CFW's disclosures related to fair value measurements.

New Accounting Standard – Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The key provisions of ASU No. 2020-07 are 1) a requirement to present contributed nonfinancial assets as a separate line item in the statements of activities and 2) disclosure of contributed nonfinancial assets disaggregated by type, which includes information about monetization and utilization, donor restrictions, and the valuation techniques used. ASU No. 2020-07 should be applied on a retrospective basis and is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. CFW is currently evaluating the effect that adoption is expected to have on its statements of activities, functional expenses, and related disclosures.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases in the statements of financial position. The ASUs are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. CFW is currently evaluating the methods of adoption allowed and the effect that adoption is expected to have on its financial position, changes in net assets, cash flows, and related disclosures.

Subsequent Events

Subsequent events have been evaluated through October 27, 2021, the date that the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, including board-approved spending policy limitations, within one year of the date of the statement of financial position, comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,449,966	1,151,061
Investments	18,737,139	15,873,502
Accounts receivable	1,683	6,440
Unconditional promises to give	<u>100,000</u>	<u>270,000</u>
Total financial assets	<u>20,288,788</u>	<u>17,301,003</u>
Less: amounts not available for general expenditures within one year, due to:		
Net assets with time restrictions to be met in more than one year	400,000	820,000
Donor-restricted for a specific purpose	731,968	950,787
Invested operating capital fund (IOCF)	6,250,740	5,428,549
Board-designated reserve fund	1,000,000	1,000,000
Perpetual restrictions	<u>6,496,774</u>	<u>6,167,431</u>
Total amounts not available for general expenditures within one year	<u>14,879,482</u>	<u>14,366,767</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,409,306</u>	<u>2,934,236</u>

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 3 - LIQUIDITY AND AVAILABILITY, CONTINUED

CFW's endowment funds consist of donor-restricted contributions that are perpetual in nature. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. As of June 30, 2021 and 2020, there was \$1,575,470 and \$372,521 in accumulated investment gains on CFW's endowment, which are available for general use subject to appropriation by the Board. CFW's spending policy related to the endowment is described in Note 11.

As part of the CFW's liquidity management plan, cash in excess of daily requirements is invested in various funds as shown in Note 4. A portion of CFW's investments is maintained in the IOCF, which has a spending policy of 4-5% of the three-year rolling average market value (calculated on March 31st for 2021 and May 31st for 2020). As of June 2021, the Board passed a resolution standardizing the spending policy to be 5%. Accordingly, during 2021 and 2020, \$300,000 was transferred from the IOCF to operations. Additionally, the Board may designate a portion of any operating surplus to its reserve fund, which was \$1,000,000 as of June 30, 2021 and 2020.

CFW's goal is to maintain available financial assets sufficient to meet up to six months of general operating expenditures. CFW maintains a revolving line of credit to provide capital in the event of an unexpected liquidity need (Note 8).

NOTE 4 - INVESTMENTS

Investments reported at fair value at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Fixed income mutual funds:		
Treasury inflation protected securities	\$ -	352,186
Broad domestic	1,668,568	1,439,770
International	952,416	524,595
High yield	583,558	675,623
Emerging markets	-	315,159
Equity mutual funds:		
Large cap	4,219,502	2,673,087
Small/mid cap	390,269	294,860
International	6,239,944	4,088,827
Emerging markets	388,271	342,017
Other mutual funds:		
Real estate	273,398	241,284
Master limited partnerships	-	698,255
Fixed income:		
U.S. Treasury bonds	1,270,834	1,471,147
Corporate bonds	1,945,035	1,918,750
Municipal bonds	805,344	837,942
	<u>18,737,139</u>	<u>15,873,502</u>
Total investments	<u>\$ 18,737,139</u>	<u>15,873,502</u>

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 4 - INVESTMENTS, CONTINUED

Investment loss for the year ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Interest and dividends	\$ 556,709	584,798
Investment fees	(92,776)	(87,576)
Realized gain/(loss)	964,745	(102,602)
Unrealized gain/(loss)	2,284,813	(700,855)
Investment return (loss), net	\$ 3,713,491	(306,235)

NOTE 5 - FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America establish 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.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 5 - FAIR VALUE MEASUREMENTS, CONTINUED

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Mutual funds: Valued at the closing price as reported on the active market on which the individual securities are traded.

Corporate and government bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

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 management 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.

The following tables set forth by level, within the fair value hierarchy, CFW's assets at fair value as of June 30, 2021 and 2020:

	Assets at Fair Value as of June 30, 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 14,715,926	-	-	14,715,926
Corporate and government bonds	-	4,021,213	-	4,021,213
Total assets at fair value	<u>\$ 14,715,926</u>	<u>4,021,213</u>	<u>-</u>	<u>18,737,139</u>

	Assets at Fair Value as of June 30, 2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 11,645,663	-	-	11,645,663
Corporate and government bonds	-	4,227,839	-	4,227,839
Total assets at fair value	<u>\$ 11,645,663</u>	<u>4,227,839</u>	<u>-</u>	<u>15,873,502</u>

For the years ended June 30, 2021 and 2020, there were no significant transfers into or out of Level 3.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 6 - UNCONDITIONAL PROMISES TO GIVE

CFW has received the following unconditional promises to give which are recognized as assets in the statements of financial position.

Unconditional promises are expected to be collected in the following periods:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 75,000	225,000
One to two years	<u>25,000</u>	<u>45,000</u>
Total unconditional promises to give	<u>\$ 100,000</u>	<u>270,000</u>

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Office furniture and equipment	\$ 94,945	86,295
Leasehold improvements	<u>8,023</u>	<u>8,023</u>
	102,968	94,318
Less accumulated depreciation and amortization	<u>(77,849)</u>	<u>(73,119)</u>
	<u>\$ 25,119</u>	<u>21,199</u>

NOTE 8 - LINE OF CREDIT

CFW has a \$75,000 unsecured line of credit. This line expires on July 19, 2021 and bears interest at the prime rate of 3.25% at June 30, 2021 and 2020. No balance was owed as of June 30, 2021 and 2020 under this line of credit agreement. CFW intends to renew the line of credit upon expiration and believes that it is probable it will be able to do so.

NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN

On July 8, 2020, CFW received loan proceeds in the amount of \$239,150 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" of 24 weeks as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. CFW's PPP loan forgiveness application was approved by lender on August 18, 2021 and the Foundation awaits Small Business Administration final forgiveness determination.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN, CONTINUED

To the extent that CFW is not granted forgiveness, CFW will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of July 8, 2025. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event.

CFW has recorded a note payable and will record forgiveness upon being legally released from the loan obligation.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Time restricted for general operating	\$ 765,000	1,100,000
Anti-racist training	-	10,000
Bayrach	134,597	162,722
Domestic violence leaders	15,000	30,000
Catalyst fund grantmaking	225,000	150,000
Eleanor network	75,000	-
Englewood initiative	214,000	165,000
Girl's summit	-	30,600
Giving council membership	-	2,500
Response, recovery, and resilience	-	202,614
Willie T. Barrow fund	50,686	88,204
Women's economic motility hub	-	100,000
Women's march	2,000	9,147
Women's Leadership Development Initiative	15,000	-
Endowment return available for future expenditures	1,575,470	372,521
Perpetual endowment	<u>6,496,774</u>	<u>6,167,431</u>
 Total net assets with donor restrictions	 <u>\$ 9,568,527</u>	 <u>8,590,739</u>

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS, CONTINUED

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Time restricted for general operating	\$ 375,000	560,000
Anti-racist training	10,000	15,000
Bayrach	28,125	28,125
Catalyst fund grantmaking	150,000	75,000
Domestic violence leaders	15,000	-
Eleanor network	-	25,000
Englewood initiative	135,000	110,600
Gender equity network	-	30,000
Girl's summit	30,600	-
Giving council membership	2,500	-
Response, recovery, and resilience	202,614	-
Willie T. Barrow fund	88,205	108,225
Women's economic motility hub	100,000	-
Women's march	7,147	-
Endowment appropriation	<u>240,713</u>	<u>239,807</u>
 Total net assets released from donor restrictions	 <u>\$ 1,384,904</u>	 <u>1,191,757</u>

NOTE 11 - ENDOWMENT

CFW's endowment consists of funds established for the purpose of providing an ongoing source of income to CFW. 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 December 31, 2009. The board of directors has adopted a spending policy that requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 11 - ENDOWMENT, CONTINUED

Interpretation of Relevant Law, Continued

As a result of this policy, CFW retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of any discounts or an allowance for uncollectible pledges) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by CFW in a manner consistent with the standard of prudence described by UPMIFA. CFW considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of CFW and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of CFW
- The investment policies of CFW

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, CFW 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

CFW 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. As of June 2021, the Board passed a resolution standardizing the spending policy to be 5%. In establishing this policy, CFW considered the long-term expected return on its endowments. This is consistent with CFW'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; distributions are made for purposes that conform to the donors' stated intentions.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments).

There were no such deficiencies at June 30, 2021 and 2020.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 11 - ENDOWMENT, CONTINUED

Endowment net asset composition by type of fund as of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ -	6,496,774	6,496,774
Accumulated investment gains	<u>-</u>	<u>1,575,470</u>	<u>1,575,470</u>
Total endowment net assets	<u>\$ -</u>	<u>8,072,244</u>	<u>8,072,244</u>

Changes in endowment net assets for the year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2020	\$ -	6,539,952	6,539,952
Investment return, net	-	1,444,349	1,444,349
Appropriation of endowment assets for expenditures	-	(241,400)	(241,400)
Contributions	<u>-</u>	<u>329,343</u>	<u>329,343</u>
Endowment net assets, June 30, 2021	<u>\$ -</u>	<u>8,072,244</u>	<u>8,072,244</u>

Endowment net asset composition by type of fund as of June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ -	6,167,431	6,167,431
Accumulated investment gains	<u>-</u>	<u>372,521</u>	<u>372,521</u>
Total endowment net assets	<u>\$ -</u>	<u>6,539,952</u>	<u>6,539,952</u>

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 11 - ENDOWMENT, CONTINUED

Changes in endowment net assets for the year ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2019	\$ -	6,961,208	6,961,208
Investment loss, net	-	(184,049)	(184,049)
Appropriation of endowment assets for expenditures	-	(239,807)	(239,807)
Contributions	-	<u>2,600</u>	<u>2,600</u>
Endowment net assets, June 30, 2020	<u>\$ -</u>	<u>6,539,952</u>	<u>6,539,952</u>

NOTE 12 - OPERATING LEASES

CFW has entered into a 123-month non-cancellable operating lease for office space. The 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 CFW 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. During 2021, CFW's landlord agreed to reduce monthly base rent by 50% for the one-year period from September 2020 to August 2021. Rent expense amounted to \$96,756 and \$133,523 for the years ended June 30, 2021 and 2020, respectively, and is included with occupancy expense in the statements of functional expenses.

Additionally, CFW had one equipment lease that expired November 2020 and was replaced during 2021. The new equipment lease expires September 2024 and requires minimum monthly payments of \$585.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 12 - OPERATING LEASES, CONTINUED

The aggregate future minimum lease commitment on these leases as of June 30, 2021 is as follows:

	2022		\$	118,246
	2023			132,072
	2024			135,374
	2025			138,758
	2026			105,354
				105,354
Total future minimum lease payments				629,804

NOTE 13 - IN-KIND CONTRIBUTIONS

CFW received donated goods and services including airline tickets, catering, printing, management consulting services, and other miscellaneous items totaling \$25,695 and \$21,370 during the years ended June 30, 2021 and 2020, respectively. These amounts have been recognized as revenue and expenses in the statements of activities and functional expenses.

In addition, CFW received shares of marketable securities with fair values at the date of contribution totaling \$374,353 and \$1,749,786, during the years ended June 30, 2021 and 2020, respectively.

NOTE 14 - TAX SHELTERED ANNUITY PLAN

CFW provides a 403(b) retirement plan (Plan) for eligible full-time employees who have completed three months of service. CFW contributes a discretionary amount of eligible employees' salaries, as determined by the Board, which ranges from 1% to 3%. CFW contributed 3% of eligible salaries during the years ended June 30, 2021 and 2020, respectively. The Plan also allows for employee salary deferral contributions.

CFW expenses contributions to the Plan as incurred. Contributions for the years ended June 30, 2021 and 2020 totaled \$29,729 and \$34,735, respectively. Employees are immediately fully vested in all contributions and are entitled to accumulated contributions plus investment earnings upon termination or retirement.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 15 - JOINT COST OF ACTIVITIES THAT INCLUDE A FUNDRAISING APPEAL

CFW achieves some of its programmatic goals in direct mail campaigns that include requests for contributions. The costs of conducting those campaigns for the years ended June 30, 2021 and 2020 included a total of \$24,708 and \$33,714, 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>2021</u>	<u>2020</u>
Public policy and advocacy	\$ 12,354	16,857
Management	-	7,200
Fundraising	<u>12,354</u>	<u>9,657</u>
Total	<u>\$ 24,708</u>	<u>33,714</u>

NOTE 16 - DONOR ADVISED FUNDS

CFW 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 CFW is not bound by such recommendations. Accordingly, these contributions are included in revenue and earnings without donor restrictions and DAF assets are included in net assets without donor restrictions.

Activity in DAF for the years ended June 30, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Assets, beginning of the year	\$ 995,298	819,658
Contributions received	101,056	265,132
Investment return, net of advisor fees	243,935	20,844
Grants and program expenditures	(148,000)	(101,500)
Administrative charges	<u>(7,400)</u>	<u>(8,836)</u>
Assets, end of year	<u>\$ 1,184,889</u>	<u>995,298</u>

NOTE 17 - IMPACT OF COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America and the world. To date, the impact on CFW's operations and results has not been significant and management expects this to remain the case. Management continues to actively monitor the global situation in order to mitigate any potential future impact on CFW's changes in net assets and financial performance.

SUPPLEMENTARY INFORMATION

CHICAGO FOUNDATION FOR WOMEN
SUPPLEMENTARY SCHEDULE OF ACTIVITIES WITHOUT DONOR RESTRICTIONS
YEAR ENDED JUNE 30, 2021

	<u>GENERAL</u>	<u>DONOR ADVISED FUNDS</u>	<u>TOTAL WITHOUT DONOR RESTRICTIONS</u>
Support and revenue:			
Contributions and grants	\$ 2,445,701	101,056	2,546,757
Special events	60,765	-	60,765
Investment return, net	2,025,207	243,935	2,269,142
Fee for service	1,000	-	1,000
In-kind contributions	25,695	-	25,695
Other income	6,066	-	6,066
Net assets released from restrictions	<u>1,384,904</u>	<u>-</u>	<u>1,384,904</u>
Total support and revenue	<u>5,949,338</u>	<u>344,991</u>	<u>6,294,329</u>
Expenses:			
Program services			
Grantmaking	3,291,573	148,000	3,439,573
Strategic initiatives	220,064	-	220,064
Capacity building	253,274	-	253,274
Outreach	544,496	-	544,496
Total program services	<u>4,309,407</u>	<u>148,000</u>	<u>4,457,407</u>
Supporting services:			
Management and general	178,263	7,400	185,663
Fundraising	<u>631,799</u>	<u>-</u>	<u>631,799</u>
Total supporting services	<u>810,062</u>	<u>7,400</u>	<u>817,462</u>
Total expenses	<u>5,119,469</u>	<u>155,400</u>	<u>5,274,869</u>
Change in net assets	829,869	189,591	1,019,460
Net assets, beginning of year	<u>7,582,093</u>	<u>995,298</u>	<u>8,577,391</u>
Net assets, end of year	<u>\$ 8,411,962</u>	<u>1,184,889</u>	<u>9,596,851</u>

See Independent Auditor's Report.

CHICAGO FOUNDATION FOR WOMEN
SUPPLEMENTARY SCHEDULE OF ACTIVITIES WITHOUT DONOR RESTRICTIONS
YEAR ENDED JUNE 30, 2020

	<u>GENERAL</u>	<u>DONOR ADVISED FUNDS</u>	<u>TOTAL WITHOUT DONOR RESTRICTIONS</u>
Support and revenue:			
Contributions and grants	\$ 2,314,549	265,132	2,579,681
Special events, net of direct benefit to donors of \$153,507	1,049,040	-	1,049,040
Investment return (loss), net	(143,030)	20,844	(122,186)
Fee for service	9,500	-	9,500
In-kind contributions	21,370	-	21,370
Other income	8,318	-	8,318
Net assets released from restrictions	<u>1,191,757</u>	<u>-</u>	<u>1,191,757</u>
Total support and revenue	<u>4,451,504</u>	<u>285,976</u>	<u>4,737,480</u>
Expenses:			
Program services:			
Grantmaking	2,482,699	101,500	2,584,199
Strategic initiatives	352,850	-	352,850
Capacity building	443,665	-	443,665
Outreach	<u>422,481</u>	<u>-</u>	<u>422,481</u>
Total program services	<u>3,701,695</u>	<u>101,500</u>	<u>3,803,195</u>
Supporting services:			
Management and general	166,231	8,836	175,067
Fundraising	<u>739,688</u>	<u>-</u>	<u>739,688</u>
Total supporting services	<u>905,919</u>	<u>8,836</u>	<u>914,755</u>
Total expenses	<u>4,607,614</u>	<u>110,336</u>	<u>4,717,950</u>
Change in net assets	(156,110)	175,640	19,530
Net assets, beginning of year	<u>7,738,203</u>	<u>819,658</u>	<u>8,557,861</u>
Net assets, end of year	<u>\$ 7,582,093</u>	<u>995,298</u>	<u>8,577,391</u>

See Independent Auditor's Report.