

Assurance

CHICAGO FOUNDATION FOR WOMEN

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

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**CHICAGO FOUNDATION FOR WOMEN
AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Chicago Foundation for Women

Opinion

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, 2023 and 2022, 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).

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chicago Foundation for Women and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Note 2 of the financial statements, for the year ended June 30, 2023, Chicago Foundation for Women adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). Our opinion is not modified with respect to this matter.

Restatement

As discussed in Note 17 to the financial statements, an error resulting in the understatement of amounts previously reported for unconditional promises to give as of June 30, 2022 and June 30, 2021 was discovered during the current year. Accordingly, these amounts have been restated in the 2022 financial statements now presented and an adjustment has been made to net assets as of July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chicago Foundation for Women's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Chicago Foundation for Women's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chicago Foundation for Women's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PKF Mueller

Chicago, Illinois
December 15, 2023

**CHICAGO FOUNDATION FOR WOMEN
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

ASSETS

	2023	2022
Cash and cash equivalents	\$ 2,705,458	4,512,075
Investments	19,173,758	14,888,526
Unconditional promises to give, net	1,363,476	995,000
Prepaid expenses and other assets	156,794	88,258
Property and equipment, net	23,978	32,250
Right of use asset - operating lease, net	300,445	-
Total assets	\$ 23,723,909	20,516,109

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 72,674	58,913
Grants payable	1,695,600	219,750
Accrued expenses	32,737	20,563
Deferred revenue	17,500	119,000
Deferred lease incentives	-	81,345
Obligation under operating lease	364,441	-
Total liabilities	2,182,952	499,571

Net assets:

Without donor restrictions:		
Undesignated	3,909,842	5,199,230
Board-designated reserve fund	1,000,000	1,000,000
Board-designated named fund	60,933	60,933
Total without donor restrictions	4,970,775	6,260,163
With donor restrictions	16,570,182	13,756,375
Total net assets	21,540,957	20,016,538
Total liabilities and net assets	\$ 23,723,909	20,516,109

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Support and revenue:			
Contributions and grants	\$ 2,012,853	4,206,229	6,219,082
Special events, net of direct benefit to donors of \$242,693	853,250	-	853,250
Investment return, net	307,836	595,506	903,342
Fee for service	2,144	-	2,144
In-kind contributions	74,400	-	74,400
Other income	5,597	-	5,597
Net assets released from restrictions	<u>1,987,928</u>	<u>(1,987,928)</u>	<u>-</u>
Total support and revenue	<u>5,244,008</u>	<u>2,813,807</u>	<u>8,057,815</u>
Expenses:			
Program services:			
Grantmaking	3,747,136	-	3,747,136
Strategic initiatives	485,778	-	485,778
Capacity building	592,899	-	592,899
Outreach	<u>706,067</u>	<u>-</u>	<u>706,067</u>
Total program services	<u>5,531,880</u>	<u>-</u>	<u>5,531,880</u>
Supporting services:			
Management and general	195,662	-	195,662
Fundraising	<u>805,854</u>	<u>-</u>	<u>805,854</u>
Total supporting services	<u>1,001,516</u>	<u>-</u>	<u>1,001,516</u>
Total expenses	<u>6,533,396</u>	<u>-</u>	<u>6,533,396</u>
Change in net assets	(1,289,388)	2,813,807	1,524,419
Net assets, beginning of year	<u>6,260,163</u>	<u>13,756,375</u>	<u>20,016,538</u>
Net assets, end of year	<u>\$ 4,970,775</u>	<u>16,570,182</u>	<u>21,540,957</u>

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Support and revenue:			
Contributions and grants	\$ 2,283,691	5,962,327	8,246,018
Special events, net of direct benefit to donors of \$55,239	749,215	-	749,215
Investment return, net	(1,350,161)	(901,729)	(2,251,890)
Fee for service	16,425	-	16,425
In-kind contributions	185,399	-	185,399
Other income	18,515	-	18,515
Forgiveness of Paycheck Protection Program loan	239,150	-	239,150
Net assets released from restrictions	<u>1,172,750</u>	<u>(1,172,750)</u>	<u>-</u>
Total support and revenue	<u>3,314,984</u>	<u>3,887,848</u>	<u>7,202,832</u>
Expenses:			
Program services:			
Grantmaking	3,744,753	-	3,744,753
Strategic initiatives	544,889	-	544,889
Capacity building	680,393	-	680,393
Outreach	<u>906,171</u>	<u>-</u>	<u>906,171</u>
Total program services	<u>5,876,206</u>	<u>-</u>	<u>5,876,206</u>
Supporting services:			
Management and general	166,059	-	166,059
Fundraising	<u>609,407</u>	<u>-</u>	<u>609,407</u>
Total supporting services	<u>775,466</u>	<u>-</u>	<u>775,466</u>
Total expenses	<u>6,651,672</u>	<u>-</u>	<u>6,651,672</u>
Change in net assets	(3,336,688)	3,887,848	551,160
Net assets, beginning of year, as restated	<u>9,596,851</u>	<u>9,868,527</u>	<u>19,465,378</u>
Net assets, end of year, as restated	<u>\$ 6,260,163</u>	<u>13,756,375</u>	<u>20,016,538</u>

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	PROGRAM SERVICES				TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	GRANTMAKING	STRATEGIC INITIATIVES	CAPACITY BUILDING	OUTREACH		MANAGEMENT AND GENERAL	FUNDRAISING		
Grants	\$ 3,419,600	-	-	-	3,419,600	-	-	-	3,419,600
Compensation	239,488	188,470	339,077	434,945	1,201,980	66,888	459,174	526,062	1,728,042
Professional fees	38,404	147,227	136,548	169,959	492,138	108,244	73,613	181,857	673,995
Bank fees	1,722	1,355	2,436	3,127	8,640	414	3,300	3,714	12,354
Promotional materials	-	-	-	1,228	1,228	2,500	-	2,500	3,728
Occupancy	19,150	15,070	27,099	34,771	96,090	260	36,706	36,966	133,056
Telephone and internet	2,000	1,574	2,830	3,632	10,036	481	3,834	4,315	14,351
Delivery, postage, and mailing	336	265	476	611	1,688	81	645	726	2,414
Web hosting	-	104,638	-	-	104,638	39	-	39	104,677
Equipment	1,828	1,439	2,587	3,319	9,173	790	3,999	4,789	13,962
Tech support	9,520	6,730	6,019	19,768	42,037	872	23,035	23,907	65,944
Printing and photography	146	115	207	265	733	227	8,356	8,583	9,316
Dues, subscriptions, and publications	6,333	5,082	9,264	11,498	32,177	1,523	12,137	13,660	45,837
Supplies	1,091	859	2,210	1,982	6,142	263	2,170	2,433	8,575
Travel	409	322	757	743	2,231	98	808	906	3,137
Special events expense	-	-	-	-	-	-	412,080	412,080	412,080
Conferences and meetings	1,440	5,896	30,219	3,034	40,589	3,839	2,759	6,598	47,187
Insurance	619	487	876	1,123	3,105	149	1,186	1,335	4,440
Depreciation and amortization	-	-	-	-	-	8,272	-	8,272	8,272
Public events	-	454	-	341	795	-	-	-	795
Miscellaneous	2,450	1,927	3,466	4,448	12,291	693	4,745	5,438	17,729
Other program expenses	2,600	3,868	28,828	11,273	46,569	29	-	29	46,598
Total expenses	3,747,136	485,778	592,899	706,067	5,531,880	195,662	1,048,547	1,244,209	6,776,089
Less expenses included with support and revenues on the statement of activities:									
Cost of direct benefit to donors	-	-	-	-	-	-	(242,693)	(242,693)	(242,693)
Total expenses included in the expense section on the statement of activities	\$ 3,747,136	485,778	592,899	706,067	5,531,880	195,662	805,854	1,001,516	6,533,396

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	PROGRAM SERVICES				TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	GRANTMAKING	STRATEGIC INITIATIVES	CAPACITY BUILDING	OUTREACH		MANAGEMENT AND GENERAL	FUNDRAISING		
Grants	\$ 3,447,250	-	-	-	3,447,250	-	-	-	3,447,250
Compensation	236,393	182,007	407,566	449,819	1,275,785	110,682	335,848	446,530	1,722,315
Professional fees	16,521	186,094	68,436	343,992	615,043	29,634	23,472	53,106	668,149
Bank fees	2,032	1,564	3,503	3,866	10,965	972	2,887	3,859	14,824
Promotional materials	-	-	-	3,200	3,200	-	-	-	3,200
Occupancy	14,843	11,429	25,592	28,245	80,109	4,654	21,088	25,742	105,851
Telephone and internet	2,636	2,030	4,545	5,016	14,227	1,263	3,745	5,008	19,235
Delivery, postage, and mailing	275	211	473	522	1,481	184	390	574	2,055
Web hosting	1,940	1,494	3,345	12,347	19,126	929	11,287	12,216	31,342
Equipment	1,952	1,503	3,366	3,714	10,535	1,012	2,773	3,785	14,320
Tech support	8,181	8,910	5,442	6,006	28,539	1,511	11,020	12,531	41,070
Printing and photography	323	249	557	9,727	10,856	155	9,571	9,726	20,582
Dues, subscriptions, and publications	7,711	3,798	7,260	8,013	26,782	2,017	5,982	7,999	34,781
Supplies	1,582	1,218	5,211	3,976	11,987	758	2,247	3,005	14,992
Travel	479	369	826	911	2,585	229	680	909	3,494
Special events expense	-	-	-	-	-	-	229,912	229,912	229,912
Conferences and meetings	33	25	39,088	62	39,208	127	47	174	39,382
Insurance	777	599	1,340	1,479	4,195	372	1,104	1,476	5,671
Depreciation and amortization	-	-	-	-	-	7,783	-	7,783	7,783
Public events	-	26,829	-	2,968	29,797	-	-	-	29,797
Miscellaneous	1,825	1,406	3,709	3,473	10,413	3,677	2,593	6,270	16,683
Other program expenses	-	115,154	100,134	18,835	234,123	100	-	100	234,223
Total expenses	3,744,753	544,889	680,393	906,171	5,876,206	166,059	664,646	830,705	6,706,911
Less expenses included with support and revenues on the statement of activities: Cost of direct benefit to donors	-	-	-	-	-	-	(55,239)	(55,239)	(55,239)
Total expenses included in the expense section on the statement of activities	\$ 3,744,753	544,889	680,393	906,171	5,876,206	166,059	609,407	775,466	6,651,672

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

**CHICAGO FOUNDATION FOR WOMEN
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
Cash provided (used) by operating activities:		
Change in net assets	\$ 1,524,419	551,160
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	8,272	7,783
Net realized and unrealized (gains) losses on investments	(373,428)	2,771,983
Forgiveness of Paycheck Protection Program loan	-	(239,150)
Contributions restricted for long-term purposes	(3,000,000)	(986)
Amortization of right of use asset under operating lease	102,468	-
Changes in:		
Accounts receivable	-	1,683
Unconditional promises to give	(368,476)	(595,000)
Prepaid expenses and other assets	(68,536)	1,478
Accounts payable	13,761	11,680
Grants payable	1,475,850	(395,625)
Accrued expenses	12,174	5,314
Deferred revenue	(101,500)	(117,390)
Deferred lease incentives	-	(3,523)
Obligation under operating lease	(119,817)	-
Net cash provided (used) by operating activities	<u>(894,813)</u>	<u>1,999,407</u>
Cash provided (used) by investing activities:		
Proceeds from sale of investments	18,634,410	6,375,066
Purchases of investments	(22,546,214)	(5,298,436)
Purchases of property and equipment	-	(14,914)
Net cash provided (used) by investing activities	<u>(3,911,804)</u>	<u>1,061,716</u>
Cash provided by financing activities:		
Contributions restricted for long-term purposes	<u>3,000,000</u>	<u>986</u>
Net increase (decrease) in cash and cash equivalents	(1,806,617)	3,062,109
Cash and cash equivalents, beginning of year	<u>4,512,075</u>	<u>1,449,966</u>
Cash and cash equivalents, end of year	<u>\$ 2,705,458</u>	<u>4,512,075</u>
Noncash investing and financing transactions:		
Forgiveness of Paycheck Protection Program loan	<u>\$ -</u>	<u>\$ 239,150</u>

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

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1 - NATURE OF OPERATIONS

Chicago Foundation for Women (CFW) is a not-for-profit organization that raises money to fund and support organizations that help women, girls, trans, and gender nonbinary individuals. CFW primarily earns revenue through contributions and grants.

Since its inception in 1985, CFW has been a leading voice in the effort to achieve basic rights and equal opportunities for women and girls. Today, 38 years later, CFW has grown significantly to be a critical partner in the global women's funding movement and the only organization in its 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, CFW has awarded more than 4,900 grants to hundreds of organizations totaling over \$48 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 several 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. Additionally, CFW has released its own report, SHEcovery™, providing a roadmap to addressing COVID-19's impact on women and girls. 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 inequities. COVID-19 uncovered the preexisting structural gender disparities facing our region and our country. For 38 years, CFW has been at the forefront, alongside its grantee partners, fighting against the structural inequities 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 its passion for improving the lives of women, girls, trans, and gender nonbinary individuals and ensures that every dollar they give achieves maximum impact. CFW holds itself and its 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 not-for-profit infrastructure. As a result, two-thirds of not-for-profits for which CFW was the first institutional, or 'seed' funder, are still thriving ten or more years after receiving their first CFW grant.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1 - NATURE OF OPERATIONS, CONTINUED

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.

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 2,000 women to increase their annual earnings by an average of \$25,000 each.
- 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.
- In Year 5 of the Englewood Women's Initiative (EWI), 237 women have been served. The EWI leads to advancements such as, a beginning 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 2023, CFW made \$3.4 million of grant awards to 157 organizations throughout an ongoing global pandemic. This includes second-year investments in the Black Women-Led Organizations Capacity Building Program (BLOC); and \$210,000 to support year two activities of the cohort of Reproductive Justice Champions.

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 its city, and its 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 in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to not-for-profit organizations.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

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

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

Financial Instruments

Financial instruments, which are included in CFW's statements of financial position as of June 30, 2023 and 2022, 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, 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, 2023 and 2022, 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 the 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, 2023 AND 2022**

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.

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 are 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 and a named fund.

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 contributions restricted by donors as increases in net assets without donor restrictions if the 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.

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 has 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.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue and Support Recognition, Continued

The timing of revenue recognition, billings, and cash collections results in accounts receivable deferred revenue on the statements of financial position. The beginning and ending contract balances were as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>July 1, 2021</u>
Accounts receivable	\$ 0	0	1,683
Deferred revenue	17,500	119,000	236,390

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, 2023. At June 30, 2022, contributions of \$110,000 had not been recognized in the statements of activities because the conditions on which they depend have not yet been met.

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 15). CFW recognizes revenue when assets are contributed to the DAF.

In-Kind Contributions

CFW receives in-kind contributions from members of the community and volunteers related to program operations, special events, and fundraising activities. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CFW.

CFW recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. CFW's policy related to in-kind contributions is to utilize the assets given to carry out the mission of CFW. If an asset is provided that does not allow CFW to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. See Note 12 for a description of the valuation techniques utilized for CFW's in-kind contributions.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 grants expense, which is 100% program, and depreciation and amortization, which is 100% management and general.

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 returns for the prior three fiscal 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, 2023 and 2022.

Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP 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.

Adoption of New Accounting Standard – Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021.

CFW elected to adopt these ASUs effective July 1, 2022 and utilized the available practical expedients. As a result of adoption, the CFW recorded ROU assets and lease liabilities of approximately \$484,000, effective July 1, 2022.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Leases

CFW leases office space. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in right of use asset - operating lease, net and obligation under operating lease in the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. CFW uses the implicit rate when it is readily determinable. Since CFW's lease does not provide an implicit rate to determine the present value of lease payments, management uses the risk free rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. CFW's lease term may include options to extend or terminate the lease when it is reasonably certain that it will exercise the option.

CFW's lease agreement has lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

New Accounting Standard – Credit Losses

In June 2016, the FASB issued guidance to change the accounting for credit losses. The guidance requires an entity to utilize a new impairment model known as the current expected credit loss ("CECL") model to estimate its lifetime "expected credit losses" and record an allowance that presents the net amount expected to be collected on the financial assets. The CECL framework is expected to result in earlier recognition of credit losses. CFW intends to adopt the guidance as of July 1, 2023 and is currently evaluating the effect it is expected to have on its financial statements and related disclosures.

Subsequent Events

Subsequent events have been evaluated through December 15, 2023, the date that the financial statements were available to be issued.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

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 statements of financial position, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,705,458	4,512,075
Investments	19,173,758	14,888,526
Unconditional promises to give, net	<u>1,363,476</u>	<u>995,000</u>
Total financial assets	<u>23,242,692</u>	<u>20,395,601</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	300,000	300,000
Donor-restricted for a specific purpose	1,122,456	5,794,813
Invested operating capital fund (IOCF)	3,925,421	5,321,596
Board-designated reserve fund	1,000,000	1,000,000
Board-designated named fund	60,933	60,933
Perpetual restrictions	<u>13,924,104</u>	<u>6,497,760</u>
Total amounts not available for general expenditures within one year	<u>20,332,914</u>	<u>18,975,102</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,909,778</u>	<u>1,420,499</u>

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, 2023 and 2022, there was \$708,622 and \$443,116 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 10.

As part of the CFW's liquidity management plan, cash in excess of daily requirements is invested in various funds. A portion of CFW's investments is maintained in the IOCF, which has a spending policy of 5% of the three-year rolling average market value. Additionally, the Board may designate a portion of any operating surplus to its reserve fund, which was \$1,000,000 as of June 30, 2023 and 2022.

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

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 4 - FAIR VALUE MEASUREMENTS

U.S. GAAP establishes 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.

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, 2023 and 2022.

Mutual funds and equities: 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.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

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 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, the CFW's assets at fair value as of June 30, 2023 and 2022:

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	\$ 8,808,314	-	-	8,808,314
Equities	6,138,705	-	-	6,138,705
Corporate and government bonds	-	3,353,197	-	3,353,197
Total assets at fair value	<u>\$ 14,947,019</u>	<u>3,353,197</u>	<u>-</u>	18,300,216
Assets measured at NAV ^(a)				<u>873,542</u>
Total assets at fair value				<u>19,173,758</u>

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	\$ 5,598,993	-	-	5,598,993
Equities	5,617,266	-	-	5,617,266
Corporate and government bonds	-	3,672,267	-	3,672,267
Total assets at fair value	<u>\$ 11,216,259</u>	<u>3,672,267</u>	<u>-</u>	14,888,526
Assets measured at NAV ^(a)				<u>-</u>
Total assets at fair value				<u>14,888,526</u>

^(a) Investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

For the years ended June 30, 2023 and 2022, there were no significant transfers into or out of Level 3.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments measured at fair value based on the NAV per share practical expedient as of June 30, 2023.

<u>June 30, 2023</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Offshore fund ^(b)	\$ 873,542	N/A	N/A	N/A

^(b) The fund holds an interest in a fund with direct investments in various financial instruments. These financial instruments are typically exchange traded, liquid securities with readily available market prices. The investment objective is to achieve an above average long-term return from a portfolio invested primarily in equity securities of small and mid-sized companies located outside of the United States.

NOTE 5 - UNCONDITIONAL PROMISES TO GIVE

CFW has received the following unconditional promises to give which are recognized as assets in the statements of financial position. The net present value (NPV) of outstanding promises was discounted using an interest rate of 8.25% applicable to the year the unconditional promises were made.

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

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 840,000	695,000
One to two years	599,356	300,000
Less:		
Discount for NPV	(75,880)	-
Total unconditional promises to give	<u>\$ 1,363,476</u>	<u>995,000</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Office furniture and equipment	\$ 92,252	92,252
Leasehold improvements	8,023	8,023
	100,275	100,275
Less accumulated depreciation and amortization	(76,297)	(68,025)
	<u>\$ 23,978</u>	<u>32,250</u>

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 7 - LINE OF CREDIT

CFW had a \$75,000 unsecured line of credit agreement with a bank. The agreement expired on July 19, 2023 and was not renewed. The interest rate at June 30, 2023 and 2022 was the prime rate of 8.25% and 4.75%, respectively. No balance was owed as of June 30, 2023 and 2022.

NOTE 8 - 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). PPP loans and accrued interest are forgivable to the extent the criteria established in the CARES Act are met. CFW applied for and received forgiveness of the full proceeds plus interest of the PPP loan.

CFW initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released in August 2021. CFW recognized forgiveness of the PPP loan of \$239,150 for the year ended June 30, 2022.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Time restricted for general operating	\$ 815,000	820,000
Bayrach	78,347	106,472
Capacity building	50,000	190,670
Eleanor network	-	50,000
Englewood initiative	625,000	400,000
Girl's summit	20,000	-
Grantmaking	197,109	150,000
Reproductive Justice Champions	-	96,357
Sophia fund	-	5,000,000
Willie T. Barrow fund	150,000	-
Women's march	2,000	2,000
Endowment return available for future expenditures	708,622	443,116
Perpetual endowment	<u>13,924,104</u>	<u>6,497,760</u>
Total net assets with donor restrictions	<u>\$ 16,570,182</u>	<u>13,756,375</u>

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 10 - ENDOWMENT

CFW's endowment consists of funds established for the purpose of providing an ongoing source of income to CFW. As required by U.S. GAAP, 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 fair 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, 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 5% 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, 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.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 10 - ENDOWMENT, CONTINUED

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, 2023 and 2022.

Endowment net asset composition by type of fund as of June 30, 2023:

	<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	\$ -	13,924,104	13,924,104
Accumulated investment gains	-	<u>708,622</u>	<u>708,622</u>
Total endowment net assets	<u>\$ -</u>	<u>14,632,726</u>	<u>14,632,726</u>

Changes in endowment net assets for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2022	\$ -	6,940,876	6,940,876
Investment return, net	-	595,506	595,506
Appropriation of endowment assets for expenditures	-	(330,000)	(330,000)
Contributions	-	<u>7,426,344</u>	<u>7,426,344</u>
Endowment net assets, June 30, 2023	<u>\$ -</u>	<u>14,632,726</u>	<u>14,632,726</u>

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 10 - ENDOWMENT, CONTINUED

Endowment net asset composition by type of fund as of June 30, 2022:

	<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	\$ -	6,497,760	6,497,760
Accumulated investment gains	-	443,116	443,116
	<u>-</u>	<u>443,116</u>	<u>443,116</u>
Total endowment net assets	<u>\$ -</u>	<u>6,940,876</u>	<u>6,940,876</u>

Changes in endowment net assets for the year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ -	8,072,244	8,072,244
Investment return, net	-	(901,729)	(901,729)
Appropriation of endowment assets for expenditures	-	(230,625)	(230,625)
Contributions	-	986	986
	<u>-</u>	<u>986</u>	<u>986</u>
Endowment net assets, June 30, 2022	<u>\$ -</u>	<u>6,940,876</u>	<u>6,940,876</u>

NOTE 11 - LEASES

As of and for the Year Ended June 30, 2023

CFW has an operating lease agreement that requires monthly payments of \$10,870, which increase annually, and a lease maturity date of March 2026.

The lease includes an optional renewal period. When it is reasonably certain that a renewal option will be exercised, that renewal period is included in the lease term, and the related payments are reflected in the ROU asset and lease liability. The lease includes fixed rental payments plus additional rent for operating expenses and real estate taxes, which are subject to annual adjustment.

CFW elects to apply the short-term lease measurement and recognition exemption to leases that meet the criteria. As of June 30, 2023, CFW has not entered into any leases that qualify for the short-term lease measurement and recognition exemption.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 11 - LEASES, CONTINUED

Lease expense, which is included in occupancy expense in the statement of functional expenses, for the year ended June 30, 2023 was as follows:

Operating lease:	
Fixed rent expense	<u>\$ 114,724</u>

Aggregate future minimum lease payments and the present value of net future minimum payments at June 30, 2023 is as follows:

2024	\$ 135,374
2025	138,758
2026	<u>105,355</u>
	379,487
Less interest	<u>(15,046)</u>
	<u>\$ 364,441</u>

Because CFW generally does not have access to the rate implicit in the lease, CFW utilizes the risk free rate as the discount rate. The discount rate associated with the operating lease as of June 30, 2023 is 2.85%.

As of and for the Year Ended June 30, 2022

CFW has entered into a non-cancelable operating lease for office space. The lease matures in March 2026 and is renewable for an additional five-year term.

Payments under the lease agreements include monthly base rent ranging from \$9,373 to \$11,706 over the term of the lease, plus additional rent for operating expenses and real estate taxes, which are subject to annual adjustment. Rent expense was to \$103,405 for the year ended June 30, 2022 and is included with occupancy expense in the statement of functional expenses.

NOTE 12 - IN-KIND CONTRIBUTIONS

CFW received the following in-kind contributions for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Airline tickets	\$ -	4,800
Consulting	<u>74,400</u>	<u>180,599</u>
Total in-kind contributions	<u>\$ 74,400</u>	<u>185,399</u>

CFW received airline vouchers to use for travel and gift cards for programming activities. The vouchers and gift cards are valued at cost.

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 12 - IN-KIND CONTRIBUTIONS, CONTINUED

CFW was provided consulting services for strategic planning at no cost. Based on current market rates for consulting services, CFW would have paid \$74,400 and \$180,599 for the years ended June 30, 2023 and 2022.

All in-kind contributions received by the CFW for the years ended June 30, 2023 and 2022 were considered to be without donor restrictions and are able to be used by the CFW as determined by the board of directors and management.

In addition, CFW received shares of marketable securities with fair values at the date of contribution totaling \$1,023,619 and \$130,611 for the years ended June 30, 2023 and 2022, respectively.

NOTE 13 - RETIREMENT 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 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022 totaled \$39,578 and \$38,882, respectively. Employees are immediately fully vested in all contributions and are entitled to accumulated contributions plus investment earnings upon termination or retirement.

NOTE 14 - JOINT COST OF ACTIVITIES THAT INCLUDE A FUNDRAISING APPEAL

CFW achieves some of its programmatic goals in direct mail campaigns that include requests for contributions. The costs of conducting those campaigns for the year ended June 30, 2022 included a total of \$18,224, of joint costs that are not directly attributable to program, management and general, or fundraising components of the activities. There were no joint costs for the year ended June 30, 2023. The joint costs for the year ended June 30, 2022 were allocated as follows:

	2023	2022
Public policy and advocacy	\$ -	9,112
Fundraising	-	9,112
Total	\$ -	18,224

**CHICAGO FOUNDATION FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 15 - 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, 2023 and 2022 was as follows:

	2023	2022
Assets, beginning of the year	\$ 815,818	1,184,889
Contributions received	26,500	50,000
Investment return, net of advisor fees	38,063	(181,475)
Grants and program expenditures	(102,000)	(167,000)
Administrative charges	(5,100)	(70,596)
Assets, end of year	\$ 773,281	815,818

NOTE 16 - CONTINGENCY

The \$239,150 PPP loan and its forgiveness are subject to examination under the terms of the agreement with the Small Business Administration for a period of six years from the date the PPP loan is forgiven, which was August 2021. The CFW is not currently under examination nor has the CFW been contacted.

NOTE 17 - RESTATEMENT

Subsequent to the issuance of the June 30, 2022 financial statements, CFW identified a misstatement within the unconditional promises to give as of July 1, 2021. CFW determined that a multi-year unconditional promise to give had been recognized at the incorrect amount. In addition, CFW incorrectly recognized an unconditional contribution in fiscal year 2023 that should have been recognized in fiscal year 2022. As a result of both misstatements, unconditional promises to give and contributions and grants revenue were understated by \$400,000 in fiscal year 2022. CFW has restated the July 1, 2021 unconditional promises to give and related accounts for the year ended June 30, 2022.