

**CHICAGO DANCEMAKERS FORUM**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2021**

**CHICAGO DANCEMAKERS FORUM**  
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**December 31, 2021**

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# WSDD

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## WSDD CPAs, Ltd. Certified Public Accountants & Consultants

### INDEPENDENT AUDITORS' REPORT

Board of Directors  
CHICAGO DANCEMAKERS FORUM  
Chicago, Illinois

#### **Opinion**

We have audited the accompanying financial statements of CHICAGO DANCEMAKERS FORUM (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHICAGO DANCEMAKERS FORUM as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit 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 DANCEMAKERS FORUM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **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 DANCEMAKERS FORUM'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, including omissions, 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 DANCEMAKERS FORUM'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 DANCEMAKERS FORUM'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.

*WSDD CPAs, Ltd.*

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WSDD CPAs, Ltd.

Chicago, Illinois  
September 28, 2022

**CHICAGO DANCEMAKERS FORUM**  
**Statement of Financial Position**  
**December 31, 2021**

<b>ASSETS</b>			
	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>CURRENT ASSETS</b>			
Cash	\$ 129,203	\$ 34,321	\$ 163,524
Grants and pledges receivable	23,771	126,733	150,504
Investments at fair market value	198,124		198,124
Prepaid epenses	787		787
Total Current Assets	<u>351,885</u>	<u>161,054</u>	<u>512,939</u>
<b>OTHER ASSETS</b>			
Grants and pledges receivable		199,466	199,466
<b>TOTAL ASSETS</b>	<u>\$ 351,885</u>	<u>\$ 360,520</u>	<u>\$ 712,405</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 13,901	\$	\$ 13,901
Accrued liabilities	2,420		2,420
Total Current Liabilities	<u>16,321</u>		<u>16,321</u>
<b>NET ASSETS</b>	<u>335,564</u>	<u>360,520</u>	<u>696,084</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 351,885</u>	<u>\$ 360,520</u>	<u>\$ 712,405</u>

**CHICAGO DANCEMAKERS FORUM**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 71,112	\$ 86,238	\$ 157,350
Contributions	92,680	254,282	346,962
Assets released from restriction	144,771	(144,771)	
Donated professional services	75,000		75,000
Special events	33,691		33,691
Less: Direct expense	(17,337)		(17,337)
Net investment return	(192)		(192)
Other	25		25
Total Support and Revenue	<u>399,750</u>	<u>195,749</u>	<u>595,499</u>
<b>EXPENSES</b>			
Program services	338,626		338,626
Management and general	77,319		77,319
Fundraising	67,337		67,337
Total Expenses	<u>483,282</u>		<u>483,282</u>
<b>CHANGE IN NET ASSETS</b>	(83,532)	195,749	112,217
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>419,096</u>	<u>164,771</u>	<u>583,867</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 335,564</u>	<u>\$ 360,520</u>	<u>\$ 696,084</u>

See independent auditors' report and notes to financial statements.

**CHICAGO DANCEMAKERS FORUM**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Salaries and wages	\$ 60,000	\$ 39,355	\$	\$ 99,355
Payroll taxes and benefits	11,260	6,732		17,992
Artist fees and honoraria	131,472		350	131,822
Residencies	68,762			68,762
Donated professional services	45,000	7,500	22,500	75,000
Conference and meetings	442			442
Insurance	2,616	1,716		4,332
Professional development		6,991		6,991
Miscellaneous		1,262	500	1,762
Office expenses	3,819	1,853		5,672
Professional fees	12,266	3,799	43,987	60,052
Audit and accounting	2,989	8,111		11,100
<b>TOTAL EXPENSES</b>	<u>\$ 338,626</u>	<u>\$ 77,319</u>	<u>\$ 67,337</u>	<u>\$ 483,282</u>

See independent auditors' report and notes to financial statements.

**CHICAGO DANCEMAKERS FORUM**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets		\$ 112,217
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized losses on investments	4,638	
Increase (decrease) in cash due to change in:		
Grants and pledges receivable	(254,770)	
Prepaid expenses	(132)	
Accounts payable	11,178	
Grants payable	(91,500)	
Accrued liabilities	<u>(980)</u>	
Total Adjustments		<u>(331,566)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(219,349)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of certificates of deposit	76,608	
Sales of investments - net	<u>63,346</u>	
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b><u>139,954</u></b>
<b>NET CHANGE IN CASH</b>		<b>(79,395)</b>
<b>CASH - BEGINNING OF YEAR</b>		<b><u>242,919</u></b>
<b>CASH - END OF YEAR</b>		<b><u>\$ 163,524</u></b>



**CHICAGO DANCEMAKERS FORUM**  
**Notes to Financial Statements**  
**December 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Chicago Dancemakers Forum (“the Organization”) is an Illinois not-for-profit corporation. The Organization was incorporated on November 24, 2014. Chicago Dancemakers Forum provides multi-layered support for choreographers by making cash grants, presenting public workshops and events, and offering professional development and residency opportunities for choreographers.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Use of Estimates**

The preparation of the financial statements in accordance with generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Certificates of Deposit**

Certificates of deposit are carried at cost.

**Grants and Pledges Receivable**

Grants and pledges receivable represent amounts committed by a donor that have not been received by the Organization, or amounts due for services rendered and not yet collected. The Organization follows the practice of charging uncollectible grants and pledges receivable directly against current earnings. As of December 31, 2021, an allowance for doubtful accounts has not been recorded as management is of the opinion that all grants and pledges will be collected.

**Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest income and realized and unrealized capital gains and losses.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **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:** Net assets without donor restrictions are for use at the discretion of management for general operating purposes.
- **Net Assets with Donor Restrictions:** Net assets with donor restrictions consist of assets whose use is limited by donor imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. The Organization has no net assets required to be maintained permanently.

### **Revenue and Revenue Recognition**

Contributions, including grants, received or pledged, are recorded as unrestricted unless specifically restricted by the donor. All donor-restricted contributions are reported as an increase in net assets with donor restrictions, and are transferred to net assets without donor restrictions, as the restrictions are met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. All goods and services are transferred at a point in time.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. The Organization records donated professional services at the respective fair value of the services received (see Note 6).

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, payroll taxes and benefits, professional services, insurance and office expenses, which are allocated on the basis of estimates of time and effort.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Income Taxes**

The Organization is exempt from federal income taxes under Section 501c(3) of the Internal Revenue Code. Thus, no provision for income taxes has been provided in the financial statements.

Accounting standards provide guidance for how certain tax positions should be recognized, measured and disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's information returns to determine whether the tax position are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit and asset or expense and liability in the current year. The Organization files information returns in the U.S. federal and state jurisdictions. The Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before 2018. As of and for the year ended December 31, 2021, management has determined that there are no uncertain tax positions.

### **Financial Instruments and Credit Risk**

The Organization manages deposit concentration risk by placing cash and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with grants and pledges receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from organizations and individuals supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for its long-term welfare.

## **NOTE 2 - GRANTS AND PLEDGES RECEIVABLE**

Grants and pledges receivable consist of grants and pledges receivable from organizations and individuals that management considers to be 100% collectible.

The maturity schedule of grants and pledges receivable is as follows:

Due in 2022	\$ 150,504
Due in 2023	111,466
Due in 2024	<u>88,000</u>
	<u>\$ 349,970</u>

### NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization complies with the provisions of Accounting Standards Codification 820 ("ASC 820"), "Fair Value Measurements and Disclosures". Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e, the "exit price") in an orderly transaction between market participants at the measurement date.

The Organization's significant financial instruments are investments. The carrying values of these financial instruments recorded in the accompanying statement of financial position approximate fair value.

ASC 820 establishes a tri-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities as follows:

- Level 1 Fair value is derived from accessible unadjusted quoted prices in active markets for identical assets or liabilities. Investments comprised of fixed income, which include U.S. Treasury and Federal National Mortgage Association notes, have been valued using level 1 inputs.
- Level 2 Fair value is derived from observable inputs that include: quoted market prices for similar assets or liabilities in active markets or inactive markets; inputs other than quoted prices that are observable in the market and can be corroborated by observable market data for substantially the full term of the asset or liability's life. The Organization does not currently hold any Level 2 assets or liabilities, which are required to be disclosed in accordance with ASC 820.
- Level 3 Fair value is derived from unobservable inputs, calculated by the use of pricing models and/or discounted cash flow methodologies and, may require significant management judgment or estimation. The Organization does not currently hold any Level 3 assets or liabilities, which are required to be disclosed in accordance with ASC 820.

The fair value inputs can vary between securities as they are affected by a wide variety of factors, including, the security type, market liquidity, etc. To the extent, valuation is based upon models or inputs that are less observable or unobservable, the determination of fair value requires more judgment.

The following tables sets forth the Organization's investments measured at fair value on a recurring basis and the basis of measurement at December 31, 2021:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 198,124	\$ 198,124	\$ 0	\$ 0

#### NOTE 4 - INVESTMENTS

The historical cost and market value of investments, all of which are held at one financial institution, were as follows at December 31, 2021:

	<u>December 31, 2021</u>	
	<u>Cost</u>	<u>Market Value</u>
Fixed income	\$ 198,695	\$ 198,124

Net investment return includes the following for the year ended December 31, 2021:

Interest	\$ 4,446
Realized and unrealized losses	<u>(4,638)</u>
	<u>\$ (192)</u>

#### NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

This category includes contributions received with donor imposed stipulations that can be fulfilled by the Organization pursuant to those stipulations or that expire by the passage of time. Net assets with donor restrictions at December 31, 2021 are available for the following purposes:

Future periods	\$ 338,020
Smart Growth program	12,500
Other	<u>10,000</u>
	<u>\$ 360,520</u>

#### NOTE 6 - DONATED PROFESSIONAL SERVICES

The Organization received donated professional services from the Executive Director valued at \$75,000, for the year ended December 31, 2021, which is recorded in the accompanying statement of activities. The Executive Director also serves as a non-voting Board Member.

#### NOTE 7 - REVENUE FROM CONTRACTS WITH CUSTOMERS

##### Revenue disaggregation

In accordance with Accounting Standards Update 2014-09, the Organization disaggregates revenue from contracts with customers into major revenue streams and the timing of recognizing revenue. Revenue from contracts with customers includes a portion of special events revenue reflecting the exchange element based upon the fair value of direct benefits donors receive which is recognized at a point in time when the special event takes place and amounted to \$3,737 the year ended December 31, 2021.

**NOTE 7 - REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)**

**Contract balances**

The timing of revenue recognition, billings and cash collections results in contract assets, receivables and contract liabilities. Contract assets would exist when the Organization has a contract with a customer for which revenue has been recognized but customer payment is contingent on a future event. Organization revenue is based on delivered goods and services and is generally limited to amounts that are not contingent on future events, therefore, not resulting in a contract asset being recorded.

There were no accounts receivable, contract assets or contract liabilities related to revenue from contracts with customers at December 31, 2021.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2021, the Organization purchased graphic design services totaling \$5,975, from a company owned by a member of the Board of Directors.

**NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Committee's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	\$	163,524
Grants and pledges receivable		150,504
Investments		<u>198,124</u>
		512,152
Less:		
Amounts restricted by donors		<u>161,054</u>
Total Financial Assets Available to Management for General Expenditure Within One year	\$	<u><u>351,098</u></u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and obligations become due.

#### **NOTE 10 - COVID-19**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant changes in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its operations and its liquidity, and is actively working to minimize the impact of these changes. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position, change in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

#### **NOTE 11 - NEW ACCOUNTING STANDARDS UPDATE**

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the consolidated statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021.

Management is evaluating the effect of this pronouncement on its financial statements.

#### **NOTE 12 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 28, 2022, which is the date the financial statements were available to be issued.