

CHICAGO DANCEMAKERS FORUM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022

CHICAGO DANCEMAKERS FORUM
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December 31, 2022

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WSDD

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, 2022, 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, 2022, 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.

WSDD CPAs, Ltd.

Chicago, Illinois
September 25, 2023

CHICAGO DANCEMAKERS FORUM
Statement of Financial Position
December 31, 2022

ASSETS

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
CURRENT ASSETS			
Cash	\$ 135,889	\$ 173,773	\$ 309,662
Grants and contributions receivable	44,066	113,717	157,783
Investments at fair market value	63,369		63,369
Prepaid expenses	<u>1,474</u>		<u>1,474</u>
Total Current Assets	<u>244,798</u>	<u>287,490</u>	<u>532,288</u>
OTHER ASSETS			
Grants and contributions receivable		<u>93,000</u>	<u>93,000</u>
OFFICE FURNITURE AND EQUIPMENT			
Cost	1,499		1,499
Less: Accumulated depreciation	<u>(333)</u>		<u>(333)</u>
Net Office Furniture and Equipment	<u>1,166</u>		<u>1,166</u>
TOTAL ASSETS	<u>\$ 245,964</u>	<u>\$ 380,490</u>	<u>\$ 626,454</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable	\$ 1,487	\$	\$ 1,487
Accrued liabilities	<u>4,705</u>		<u>4,705</u>
Total Current Liabilities	<u>6,192</u>		<u>6,192</u>
NET ASSETS	<u>239,772</u>	<u>380,490</u>	<u>620,262</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 245,964</u>	<u>\$ 380,490</u>	<u>\$ 626,454</u>

CHICAGO DANCEMAKERS FORUM
Statement of Activities
For the Year Ended December 31, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
SUPPORT AND REVENUE			
Grants	\$ 255,017	\$ 183,773	\$ 438,790
Contributions	26,657	11,000	37,657
Assets released from restriction	174,803	(174,803)	
Donated professional services and in-kind contributions	4,524		4,524
Special events	10,922		10,922
Less: Direct expense	(7,970)		(7,970)
Net investment return (loss)	(4,247)		(4,247)
Other	<u>1,035</u>		<u>1,035</u>
Total Support and Revenue	<u>460,741</u>	<u>19,970</u>	<u>480,711</u>
EXPENSES			
Program services	359,932		359,932
Management and general	119,068		119,068
Fundraising	<u>77,533</u>		<u>77,533</u>
Total Expenses	<u>556,533</u>		<u>556,533</u>
CHANGE IN NET ASSETS	(95,792)	19,970	(75,822)
NET ASSETS - BEGINNING OF YEAR	<u>335,564</u>	<u>360,520</u>	<u>696,084</u>
NET ASSETS - END OF YEAR	<u>\$ 239,772</u>	<u>\$ 380,490</u>	<u>\$ 620,262</u>

See independent auditors' report and notes to financial statements.

CHICAGO DANCEMAKERS FORUM
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Salaries and wages	\$ 62,333	\$ 81,833	\$ 46,667	\$ 190,833
Payroll taxes and benefits	11,229	15,635	8,387	35,251
Artist fees and honoraria	190,410			190,410
Equipment rental	15,914			15,914
Donated professional services	1,524			1,524
Donated studio space rental	3,000			3,000
Conference and meetings	6,445	1,192	648	8,285
Travel	7,426	30		7,456
Insurance	860	1,129	644	2,633
Marketing	924	230	132	1,286
Program supplies and other	3,738	60		3,798
Miscellaneous	1,664	1,233	1,073	3,970
Depreciation		333		333
Office expenses	6,615	2,999	1,538	11,152
Professional fees	45,449	4,742	16,647	66,838
Audit and accounting	2,401	9,652	1,797	13,850
	<u>2,401</u>	<u>9,652</u>	<u>1,797</u>	<u>13,850</u>
TOTAL EXPENSES	<u>\$ 359,932</u>	<u>\$ 119,068</u>	<u>\$ 77,533</u>	<u>\$ 556,533</u>

CHICAGO DANCEMAKERS FORUM
Statement of Cash Flows
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		\$ (75,822)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	333	
Realized and unrealized losses on investments	6,438	
Increase (decrease) in cash due to change in:		
Grants and contributions receivable	99,187	
Prepaid expenses	(687)	
Accounts payable	(12,414)	
Accrued liabilities	<u>2,285</u>	
Total Adjustments		<u>95,142</u>
NET CASH FROM OPERATING ACTIVITIES		<u>19,320</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of office equipment	(1,499)	
Sales of investments - net	<u>128,317</u>	
NET CASH FROM INVESTING ACTIVITIES		<u>126,818</u>
NET CHANGE IN CASH		146,138
CASH - BEGINNING OF YEAR		<u>163,524</u>
CASH - END OF YEAR		<u><u>\$ 309,662</u></u>

CHICAGO DANCEMAKERS FORUM
Notes to Financial Statements
December 31, 2022

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.

Grants and Contributions Receivable

Grants and contributions 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 contributions receivable directly against current earnings. As of December 31, 2022, an allowance for doubtful accounts has not been recorded as management is of the opinion that all grants and contributions 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 (loss) is reported in the statement of activities and consists of interest income and realized and unrealized capital gains and losses.

Office Furniture and Equipment

Office furniture and equipment is recorded at cost. Office furniture and equipment purchased in excess of \$1,000 per item is capitalized. Office furniture and equipment is depreciated over its estimated useful life of three to seven years using the straight-line method. Depreciation expense for the year ended December 31, 2022 amounted to \$333.

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

For the year ended December 31, 2022, the Organization recorded donated professional services and in-kind contributions in the amount of \$4,524, which included donated professional services of \$1,524 and studio space rental of \$3,000. Donated professional services are recorded at fair value based on standard industry pricing for similar services. Studio space rental is recorded at fair value based on current market rental rates. There were no donor restrictions on donated professional services and in-kind contributions at December 31, 2022.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2019. As of and for the year ended December 31, 2022, 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 contributions 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.

Recently Adopted Authoritative Guidance

In 2022, the Organization adopted Accounting Standards Update 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have an impact on the financial statements.

NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of amounts due from organizations and individuals that management considers to be 100% collectible.

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

Due in 2023	\$ 157,783
Due in 2024	<u>93,000</u>
	<u>\$ 250,783</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.

NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

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 table sets forth the Organization's investments measured at fair value on a recurring basis and the basis of measurement at December 31, 2022:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 63,369	\$ 63,369	\$ 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, 2022:

	<u>December 31, 2022</u>	
	<u>Cost</u>	<u>Market Value</u>
Fixed income	\$ 65,510	\$ 63,369

Net investment return (loss) includes the following for the year ended December 31, 2022:

Interest	\$ 2,191
Realized and unrealized losses	<u>(6,438)</u>
	<u>\$ (4,247)</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, 2022 are available for the following purposes:

Future periods	\$ 320,490
Production residencies	<u>60,000</u>
	<u>\$ 380,490</u>

NOTE 6 - 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 \$10,922 the year ended December 31, 2022.

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, 2022.

Significant Judgment

Significant judgment is required to be made by management to determine the appropriate approach to applying the revenue recognition criteria. Significant judgment is also required when determining whether revenue from contracts with customers was earned at a point in time or over time.

NOTE 7 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2022, the Organization purchased graphic design services totaling \$3,110, from a company owned by a member of the Board of Directors.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES

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

Cash	\$	309,662
Grants and contributions receivable		157,783
Investments		63,369
	\$	<u>530,814</u>

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

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 25, 2023, which is the date the financial statements were available to be issued.