

CHICAGO DANCEMAKERS FORUM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018

CHICAGO DANCEMAKERS FORUM
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December 31, 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors
CHICAGO DANCEMAKERS FORUM

We have audited the accompanying financial statements of CHICAGO DANCEMAKERS FORUM (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHICAGO DANCEMAKERS FORUM as of December 31, 2018, 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.


Weiss, Sugar, Dvorak & Dusek, Ltd.

Chicago, Illinois
June 7, 2019

CHICAGO DANCEMAKERS FORUM
Statement of Financial Position
December 31, 2018

ASSETS			
	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
CURRENT ASSETS			
Cash	\$ 511,340	\$	\$ 511,340
Grants and pledges receivable	22,629	66,954	89,583
Prepaid expenses	1,333		1,333
Total Current Assets	535,302	66,954	602,256
OTHER ASSETS			
Grants and pledges receivable		22,000	22,000
TOTAL ASSETS	\$ 535,302	\$ 88,954	\$ 624,256
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 1,559	\$	\$ 1,559
Grants payable	55,000		55,000
Accrued liabilities	763		763
Total Current Liabilities	57,322		57,322
NET ASSETS	477,980	88,954	566,934
TOTAL LIABILITIES AND NET ASSETS	\$ 535,302	\$ 88,954	\$ 624,256

See independent auditors' report and notes to financial statements.

CHICAGO DANCEMAKERS FORUM
Statement of Activities
For the Year Ended December 31, 2018

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
SUPPORT AND REVENUE			
Grants	\$ 380,460	\$ 22,454	\$ 382,914
Contributions	67,255	66,500	133,755
Assets released from restriction	96,089	(96,089)	
In-kind contributions	60,700		60,700
Special events	69,631		69,631
Less: Direct expense	(36,746)		(36,746)
Other	605		605
Total Support and Revenue	<u>617,994</u>	<u>(7,135)</u>	<u>610,859</u>
EXPENSES			
Program services	272,284		272,284
Management and general	23,201		23,201
Fundraising	22,846		22,846
Total Expenses	<u>318,331</u>		<u>318,331</u>
INCREASE IN NET ASSETS	299,663	(7,135)	292,528
NET ASSETS - BEGINNING OF YEAR	<u>178,317</u>	<u>96,089</u>	<u>274,406</u>
NET ASSETS - END OF YEAR	<u>\$ 477,980</u>	<u>\$ 88,954</u>	<u>\$ 566,934</u>

See independent auditors' report and notes to financial statements.

CHICAGO DANCEMAKERS FORUM
Statement of Functional Expenses
For the Year Ended December 31, 2018

	PROGRAM SERVICES				MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
	LAB ARTISTS	ELEVATE	OTHER	TOTAL			
Salaries and wages	\$ 23,559	\$ 9,061	\$ 3,624	\$ 36,244	\$ 4,300		\$ 40,544
Payroll taxes	1,846	710	284	2,840	351		3,191
Artist fees and honoraria	93,675	33,900	20,225	147,800			147,800
Equipment rental		3,699		3,699			3,699
Residencies			1,015	1,015			1,015
In-kind services provided by							
Executive Director	23,400	9,000	3,600	36,000	6,000	18,000	60,000
Conference and meetings	374	136	1,193	1,703			1,703
Travel	373	41		414		935	1,349
Insurance	1,780	685	274	2,739	325		3,064
Marketing costs	874	608	135	1,617	160		1,777
Program supplies and other	1,445	316	599	2,360			2,360
Micellaneous					405	711	1,116
Office expenses	823	1,972	383	3,178	1,030		4,208
Audit and accounting	2,353	905	362	3,620	4,630		8,250
Professional fees		27,955	1,100	29,055	6,000	3,200	38,255
	<u>\$ 150,502</u>	<u>\$ 88,988</u>	<u>\$ 32,794</u>	<u>\$ 272,284</u>	<u>\$ 23,201</u>	<u>\$ 22,846</u>	<u>\$ 318,331</u>

See independent auditors' report and notes to financial statements.

CHICAGO DANCEMAKERS FORUM
Statement of Cash Flows
For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets		\$ 292,528
Increase (decrease) in cash due to change in:		
Grants and pledges receivable	\$ (10,394)	
Prepaid expenses	1,915	
Accounts payable	1,187	
Accrued liabilities	<u>216</u>	
Total Adjustments		<u>(7,076)</u>
NET INCREASE IN CASH		285,452
CASH - BEGINNING OF YEAR		<u>225,888</u>
CASH - END OF YEAR		<u>\$ 511,340</u>

See independent auditors' report and notes to financial statements.

CHICAGO DANCEMAKERS FORUM
Notes to Financial Statements
December 31, 2018

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

Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The net assets of the Organization are reported in two self-balancing groups 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 statements 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 Expense Recognition

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Thus, revenue is recognized when earned and expenses are recognized when incurred.

Support 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The Organization considers all highly liquid investments with an initial maturity date of three months or less to be cash.

Grants and Pledges Receivable

Grants and pledges receivable represent amounts committed by a donor that has not been received by the Organization, or amounts due for services rendered and not yet collected. The Organization is on the direct write-off method for bad debt recognition.

Fair Value Disclosures

The fair value of financial instruments including cash, grants and pledges receivable, prepaid expenses and other current assets, and accounts payable and accrued liabilities approximates the carrying values, principally because of the short maturity of those items.

Functional Expense Allocation

The Organization charges direct program expenses to each individual program. Certain indirect general and administrative expenses are allocated to program services on the basis determined by management.

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.

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 2015. As of and for the year ended December 31, 2018, management has determined that there are no uncertain tax positions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement

During 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The ASU is effective for the Committee's year ending December 31, 2018. This ASU replaces the three classes of net assets used in financial statements of nonprofit entities (unrestricted, temporarily restricted, and permanently restricted) with two classes of net assets (net assets with donor restrictions and net assets without donor restrictions).

The new ASU also requires expanded disclosures about liquidity and availability of resources, presentation of expenses by both functional and natural classifications, changes in the cash flow statement when prepared using the direct method, and changes in reporting of investment returns.

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 2019	\$ 89,583
Due in 2020	<u>22,000</u>
	<u>\$ 111,583</u>

NOTE 3 - 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, 2018 and 2017 are available for the following purposes:

Strategic planning	\$ 11,262
Future periods	<u>77,692</u>
	<u>\$ 88,954</u>

NOTE 4 - CHICAGO COMMUNITY TRUST, DONOR ADVISED FUND

The Chicago Community Trust ("CCT") maintains the Chicago Dancemakers Fund ("the Fund") which was established as a donor advised fund. Contributions made to the Fund are recognized as contributions to CCT. The Board of Directors of CCT determines distributions of net income and principal of the Fund to qualifying 501(c)(3) organizations. The Board of Directors of CCT shall from time to time consult with the advisory group, which is made up of the Organization's executive director as well as current and past board members, for recommendations regarding distributions. Grants from the Fund to the Organization are recorded as revenue at the time CCT notifies the Organization of the grant. Funds transferred from the Organization to the Fund are recorded as an expense. At December 31, 2018, the Fund had a balance of \$11,869. During the year ended December 31, 2018, the Organization received \$317,252 from the Fund, which is included in Grants in the accompanying statement of activities. There were no amounts transferred to the Fund in 2018.

NOTE 5 - IN-KIND DONATIONS

In-kind services provided by the Executive Director valued at \$60,000 are recorded in the financial statements. The Executive Director also serves as a board member.

NOTE 6 - CONCENTRATION OF RISK

The Organization at certain times concentrates its risk for cash by maintaining deposits at financial institutions that exceed the federally insured limits. The Organization is of the opinion that deposits are maintained in financially sound institutions, and it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 7, 2019, which is the date the financial statements were available to be issued.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES

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

Cash	\$ 511,340
Grants and pledges receivable	<u>89,583</u>
	600,923
Less:	
Amounts restricted by donors	<u>66,954</u>
Total Financial Assets Available to Management for General Expenditure Within One year	<u>\$ 533,969</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 - NEW ACCOUNTING STANDARDS UPDATE

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new guidance provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. It also provides additional guidance on how to determine if a contribution is conditional. The new standard will be effective for transactions that occur during the Organization's fiscal year ended December 31, 2019. Early adoption is permitted.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Organization's year ending December 31, 2020, with early application permitted.

Management is evaluating the effects of these pronouncements on its financial statements.