

LEAGUE OF WOMEN VOTERS OF CHICAGO
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2018 AND JUNE 30, 2017

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Independent Accountant's Review Report

The Board of Directors
League of Women Voters of Chicago
332 S. Michigan Ave. #525
Chicago, Illinois 60604

I have reviewed the accompanying financial statements of the League of Women Voters of Chicago (LWVC), a nonprofit organization, which comprise the statement of assets, liabilities, and net assets - modified accrual basis as of June 30, 2018, and the related statement of support, revenue, expenses, and changes in net assets - modified accrual basis for the fiscal year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified accrual basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified accrual basis of accounting.

Basis of Accounting

I draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Report on Comparative Financial Statements for the Prior Year

The prior year financial statements presented for comparative purposes were reviewed by me. My review report dated November 7, 2017, stated that I was not aware of any material modifications that should be made to those financial statement in order for them to be in conformity with the modified basis of accounting as described in Note 2.

James M. Babic, PC

October 23, 2018

LEAGUE OF WOMEN VOTERS OF CHICAGO
 STATEMENT OF ASSETS, LIABILITES, AND NET ASSETS
 MODIFIED ACCRUAL BASIS
 (Unrestricted)

	As of:	
	June 30, 2018	June 30, 2017
<u>ASSETS</u>		
Current assets:		
Cash	\$ 79,977	\$ 71,096
Prepaid expenses	991	991
Total assets	\$ 80,968	\$ 72,087
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 1,550	\$ 991
Net assets, unrestricted	79,418	71,096
Total liabilities and net assets	\$ 80,968	\$ 72,087

The accompanying notes are an integral part of these financial statements

LEAGUE OF WOMEN VOTERS OF CHICAGO
STATEMENT OF SUPPORT, REVENUE, EXPENSES
AND CHANGES IN NET ASSETS -
MODIFIED ACCRUAL BASIS
(Unrestricted)

	Fiscal Year Ended	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Public support and revenue:		
Public support:		
Grants and contributions	\$ 10,886	\$ 11,365
Total public support	<u>10,886</u>	<u>11,365</u>
Revenue:		
Membership dues	24,168	22,133
Other	<u>2,715</u>	<u>2,488</u>
Total revenue	<u>26,883</u>	<u>24,621</u>
Total public support and revenue	<u>37,769</u>	<u>35,986</u>
Expenses:		
Office occupancy (Note 3)	4,885	3,388
Professional and independent contractor fees	3,588	1,144
Printing, publications, postage, and shipping	934	1,097
Support of national, state, and county associations (Note 4)	13,096	5,244
Events, travel, and meetings	1,879	3,120
Insurance	991	1,077
Advertising and public relations	475	447
Membership recruitment/directory	523	798
Telecommunications	1,467	310
Supplies	95	304
Leadership training	60	233
Donations and gifts	50	300
Dues and subscriptions	210	40
Credit card transaction fees	576	381
Miscellaneous and other	<u>618</u>	<u>515</u>
Total expenses	<u>29,447</u>	<u>18,398</u>
Net increase in net assets	8,322	17,588
Net assets, unrestricted:		
Beginning of the year	<u>71,096</u>	<u>54,258</u>
End of the year	<u>\$ 79,418</u>	<u>\$ 71,096</u>

The accompanying notes are an integral part of these financial statements

LEAGUE OF WOMEN VOTERS OF CHICAGO
STATEMENT OF CASH FLOWS
MODIFIED ACCRUAL BASIS
(Unrestricted)

	Fiscal Year Ended	
	June 30, 2018	June 30, 2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Net increase in net assets	\$ 8,322	\$ 17,588
Increase (decrease) in:		
Prepaid expenses	-	(991)
Operating accounts payable	559	241
Net cash provided by operating activities	8,881	16,838
CASH, BEGINNING OF THE YEAR	71,096	54,258
CASH, END OF THE YEAR	\$ 79,977	\$ 71,096

The accompanying notes are an integral part of these financial statements

LEAGUE OF WOMEN VOTERS OF CHICAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - HISTORY AND NATURE OF THE ORGANIZATION

The League of Women Voters of Chicago (LWVC) was incorporated in 1950 under the Illinois Not-for-Profit Act of 1943. LWVC is a non-partisan political organization that facilitates increased understanding of major public policy issues through education and advocacy.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and presentation

The financial statements are prepared on the modified accrual basis of accounting which is a basis of accounting that differs from generally accepted accounting principles. Under the modified accrual basis of accounting revenues and their related assets are recorded when received rather than when earned; expenses and their related liabilities are recorded when incurred.

Financial statement presentation follows the Financial Accounting Standards Board *Accounting Standards Codification* (ASC) No. 958-205. Under ASC 958-205, LWVC is required to report information regarding its financial position according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Classification of net assets as unrestricted, temporarily restricted, or permanently restricted is based on the absence or existence of donor imposed restrictions.

Donor-imposed restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, restricted support that is received and fulfilled within the same fiscal year is reported as unrestricted.

Income taxes

LWVC is exempt from federal taxes under Section 501(c)4 of the Internal Revenue Code. LWVC's management has determined that FIN 48, which addresses accounting for uncertainty in income taxes, has no effect on its financial statements due to LWVC's tax-exempt status.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures. Actual results could differ from those estimates.

Donated Services

Many of LWVC's officers and supporters donated an inestimable amount of services furthering LWVC's programs and objectives. These donated services are not reported as contributions in the financial statements because they do not meet the criteria of skilled services required to be reported under FASB ASC 958-605-25-16.

Subsequent Events

LWVC has evaluated subsequent events through October 23, 2018, the date financial statements were available to be issued.

LEAGUE OF WOMEN VOTERS OF CHICAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 - OCCUPANCY

During the fiscal years ended June 30, 2018 and June 30, 2017 LWVC occupied office space, located 332 South Michigan Avenue, Chicago, Illinois under an annual inter-office agreement with the League of Women Voters of Illinois (LWVIL). The term of the annual inter-office agreement began on December 1, 2016, continues through June 30, 2018, and requires LWVC to pay for its pro rata share of office occupancy and other office overhead costs. The total expense incurred under the terms of the annual agreement during the fiscal years ended June 30, 2018 and June 30, 2017 was \$5,366 and \$4,010, respectively, which includes office occupancy costs of \$4,860 and \$3,364 for the fiscal years ended June 30, 2018 and June 30, 2017, respectively.

NOTE 4 - SUPPORT OF NATIONAL, STATE, AND COUNTY ASSOCIATIONS

The League of Women Voters of the United States, the League of Women Voters of Illinois (LWVIL), and the League of Women Voters of Cook County Illinois have allowed the League of Women Voters of Chicago to pay a portion of the per member payment to each from the Education Fund. The Education Fund is a financial instrument that is independently operated by the LWVIL for the benefit of LWVC. For the fiscal years ended June 30, 2018 and June 30, 2017 100% and 65% of the invoiced per member payment amount is shown on the LWVC's financial statements, respectively.