

LEAGUE OF WOMEN VOTERS OF CHICAGO
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2016 AND JUNE 30, 2015

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Independent Accountant's Review Report

The Board of Directors
League of Women Voters of Chicago
332 S. Michigan Ave. #634
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, 2016, 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 that matter.

Report on Comparative Financial Statements for the Prior Year

The prior year financial statements presented for comparative purposes were audited by me. My audit report dated July 20, 2015, 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

January 25, 2017

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

	As of:	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 54,258	\$ 44,709
Prepaid expenses	<u>-</u>	<u>991</u>
Total assets	<u>\$ 54,258</u>	<u>\$ 45,700</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	<u>\$ 750</u>	<u>\$ 2,374</u>
Net assets, unrestricted	<u>53,508</u>	<u>43,326</u>
Total liabilities and net assets	<u>\$ 54,258</u>	<u>\$ 45,700</u>

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, 2016</u>	<u>June 30, 2015</u>
Public support and revenue:		
Public support:		
Grants and contributions	\$ 10,613	\$ 11,586
Total public support	<u>10,613</u>	<u>11,586</u>
Revenue:		
Membership dues	9,672	11,136
Other	<u>1,368</u>	<u>1,994</u>
Total revenue	<u>11,040</u>	<u>13,130</u>
Total public support and revenue	<u>21,653</u>	<u>24,716</u>
Expenses:		
Office occupancy (Note 3)	2,953	2,875
Professional and independent contractor fees	750	2,725
Printing, publications, postage, and shipping	653	1,060
Support of national, state, and county associations (Note 4)	4,255	4,000
Events, travel, and meetings	1,108	1,287
Insurance	1,048	1,106
Telecommunications	481	438
Supplies	36	720
Dues and subscriptions	65	135
Miscellaneous and other	<u>122</u>	<u>747</u>
Total expenses	<u>11,471</u>	<u>15,093</u>
Net increase in net assets	10,182	9,623
Net assets, unrestricted:		
Beginning of the year	<u>43,326</u>	<u>33,703</u>
End of the year	<u>\$ 53,508</u>	<u>\$ 43,326</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, 2016	June 30, 2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Net increase in net assets	\$ 10,182	\$ 9,623
Increase (decrease) in:		
Prepaid expenses	991	(991)
Operating accounts payable	(1,624)	32
Net cash provided by operating activities	9,549	8,664
CASH, BEGINNING OF THE YEAR	44,709	36,045
CASH, END OF THE YEAR	\$ 54,258	\$ 44,709

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, 2016

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 January 25, 2017, 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, 2016

NOTE 3 - OCCUPANCY

During the fiscal years ended June 30, 2016 and June 30, 2015 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 July 1, 2015, continued through November 30, 2016, and required 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, 2016 and June 30, 2015 was \$3,604 and \$3,296, respectively, which includes office occupancy costs of \$2,953 and \$2,875 for the fiscal years ended June 30, 2016 and June 30, 2015, 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 approximately half 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. Approximately 50% of the invoiced per member payment amount is shown on the LWVC's financial statements for the fiscal years ended June 30, 2016 and June 30, 2015.