

Donors Forum

Audited Financial Statements
and Supplemental Information

*Years ended June 30, 2014 and 2013
with Report of Independent Auditors*

Donors Forum

Audited Financial Statements and Supplemental Information

Years ended June 30, 2014 and 2013

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Report of Independent Auditors

Audit Committee
Donors Forum
Chicago, Illinois

We have audited the accompanying statement of financial position of Donors Forum (the Forum) as of June 30, 2014 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.

Auditor's 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 auditor's 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 over financial reporting. 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 the Forum as of June 30, 2014 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We previously audited the Forum's 2013 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2013. In our opinion, the summarized comparative information presented herein for the year ending June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it had been derived.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Activities for CAAIP on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style.

Arlington Heights, Illinois
December 17, 2014

Donors Forum

Statements of Financial Position

	June 30,	
	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 869,333	\$ 1,202,650
Investments	1,186,748	1,085,425
Contributions receivable, less discount of \$0 and \$5,888, respectively	535,588	724,096
Prepaid expenses and other assets	49,069	32,545
Total current assets	2,640,738	3,044,716
 Furniture and equipment, net	 61,808	 30,363
Total Assets	\$ 2,702,546	\$ 3,075,079
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 216,476	\$ 136,395
Accrued payroll and related expenses	66,581	53,293
Deferred revenue	153,079	162,504
Total current liabilities	436,136	352,192
 Deferred compensation	 103,065	 115,118
Total liabilities	539,201	467,310
 Net Assets		
Unrestricted		
Undesignated	1,388,806	1,606,932
Investment in property and equipment	61,808	30,363
Board designated	169,249	179,735
Total unrestricted	1,619,863	1,817,030
 Temporarily restricted	 542,982	 790,239
Permanently restricted	500	500
Total net assets	2,163,345	2,607,769
Total Liabilities and Net Assets	\$ 2,702,546	\$ 3,075,079

See accompanying notes to the financial statements.

Donors Forum

Statements of Activities

For the year ended June 30, 2014
(with comparative totals for 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Public Support and Revenue					
Contributions					
Memberships	\$ 868,089	\$ 27,500	\$ -	\$ 895,589	\$ 1,006,521
Grants and contributions	237,666	485,000	-	722,666	1,299,878
Forum partner fees	275,575	-	-	275,575	272,340
Workshops and meetings	154,228	-	-	154,228	154,349
Sponsors - meetings and workshops	464,125	17,500	-	481,625	360,840
Publication sales and web directories	5,370	-	-	5,370	17,431
Library revenue	374	-	-	374	2,060
Consulting fees	29,409	-	-	29,409	41,906
Other income	538	-	-	538	313
Investment fund payout	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>144,678</u>
Subtotal	2,085,374	530,000	-	2,615,374	3,300,316
Net assets released from restrictions					
Satisfaction of program restriction	<u>777,257</u>	<u>(777,257)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>2,862,631</u>	<u>(247,257)</u>	<u>-</u>	<u>2,615,374</u>	<u>3,300,316</u>
Expenses					
Program	1,945,217	-	-	1,945,217	1,848,665
Management and general	973,182	-	-	973,182	883,926
Fundraising	<u>265,129</u>	<u>-</u>	<u>-</u>	<u>265,129</u>	<u>155,576</u>
Total Expenses	<u>3,183,528</u>	<u>-</u>	<u>-</u>	<u>3,183,528</u>	<u>2,888,167</u>
Change in net assets from operations	(320,897)	(247,257)	-	(568,154)	412,149
Non-operating activity					
Investment income in excess of investment fund payout	123,730	-	-	123,730	-
Investment payout in excess of investment return	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,422)</u>
Change in net assets	(197,167)	(247,257)	-	(444,424)	380,727
Net assets, beginning of year	<u>1,817,030</u>	<u>790,239</u>	<u>500</u>	<u>2,607,769</u>	<u>2,227,042</u>
Net assets, end of year	<u>\$ 1,619,863</u>	<u>\$ 542,982</u>	<u>\$ 500</u>	<u>\$ 2,163,345</u>	<u>\$ 2,607,769</u>

See accompanying notes to the financial statements.

Donors Forum

Statements of Functional Expenses

For the year ended June 30, 2014
(with comparative totals for 2013)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2014 Total</u>	<u>2013 Total</u>
Personnel Expenses					
Salaries	\$ 738,469	\$ 372,359	\$ 120,392	\$ 1,231,220	\$ 1,231,273
Employee benefits and related taxes	172,492	105,276	28,363	306,131	345,198
Total salaries and related expenses	910,961	477,635	148,755	1,537,351	1,576,471
Other Expenses					
Occupancy	210,388	65,338	20,260	295,986	289,560
Insurance	7,034	4,724	680	12,438	18,558
Telephone	8,216	4,453	676	13,345	13,850
Rental and maintenance of equipment	3,816	23,555	369	27,740	23,412
Professional fees	-	31,292	-	31,292	35,064
Outside services - technology and other	185,431	198,982	50,486	434,899	139,646
Outside services program support	304,526	33,483	12,501	350,510	389,925
Supplies	24,797	9,965	284	35,046	22,903
Postage and delivery	4,799	4,772	25	9,596	15,434
Furniture and equipment purchases	-	5,696	-	5,696	1,785
Software maintenance and upgrade	2,263	14,577	-	16,840	5,700
Printing and design	30,523	6,923	23,952	61,398	41,621
Staff conference and meetings	29,731	18,630	2,203	50,564	32,347
Staff development	6,373	9,345	1,415	17,133	21,003
Dues and memberships	15,808	35,412	50	51,270	44,312
Book store inventory and program support	28,569	-	-	28,569	40,559
Workshops and meetings	155,728	17,056	1,268	174,052	161,227
Marketing and promotions	5,596	2,863	1,539	9,998	6,484
Miscellaneous	4,745	2,580	83	7,408	79
Total operating expenses	1,939,304	967,281	264,546	3,171,131	2,879,940
Depreciation	5,913	5,901	583	12,397	8,227
Total Expenses	<u>\$ 1,945,217</u>	<u>\$ 973,182</u>	<u>\$ 265,129</u>	<u>\$ 3,183,528</u>	<u>\$ 2,888,167</u>

See accompanying notes to the financial statements.

Donors Forum

Statements of Cash Flows

	For the years ended June 30,	
	2014	2013
Cash Flows from Operating Activities		
Change in net assets	\$ (444,424)	\$ 380,727
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	12,397	8,227
Change in fair value of investments	(143,132)	(70,304)
Change in deferred compensation	(12,053)	25,822
Changes in operating assets and liabilities		
Contributions receivable	188,508	(488,066)
Prepaid expenses and other assets	(16,524)	(20,517)
Accounts payable	80,081	(14,140)
Accrued payroll	13,288	(3,860)
Deferred revenue	(9,425)	12,210
Total adjustments	113,140	(550,628)
Net cash used in operating activities	(331,284)	(169,901)
Cash Flows from Investing Activities		
Purchase of fixed assets	(43,842)	(6,044)
Purchase of investments	(120,900)	(129,765)
Proceeds on sale of investments	162,709	274,497
Net cash (used in) provided by investing activities	(2,033)	138,688
Change in cash and cash equivalents	(333,317)	(31,213)
Cash and cash equivalents, beginning of year	1,202,650	1,233,863
Cash and cash equivalents, end of year	\$ 869,333	\$ 1,202,650

See accompanying notes to the financial statements.

Donors Forum

Notes to Financial Statements

Years ended June 30, 2014 and 2013

Note A - Nature of Operations and Summary of Significant Accounting Policies

Organization

Donors Forum (the Forum) is a not-for-profit Illinois corporation exempt from Federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. In the words of its mission statement: "Donors Forum is the premier resource for networking and education, information and knowledge, and leadership and advocacy on behalf of philanthropy in Illinois. As a membership association of grantmakers, nonprofits, and advisors, Donors Forum serves its constituents by promoting an effective and informed philanthropic and nonprofit sector."

Founded in 1974 as Donors Forum of Chicago, the Forum broadened its scope in 2007 to serve the entire state of Illinois. Through Donors Forum, Illinois grantmakers, nonprofits, and their advisors:

- **Connect**, finding inspiration, ideas, and support as they network with savvy peers, national experts, and key leaders in the private, public, and independent sectors.
- **Learn**, increasing their impact by using Donors Forum's programs, publications, research, and library to learn about best practices, new trends, critical issues--and more.
- **Act**, joining with peers to advocate more effectively for public policies--as well as policies and practices in the field and their own organizations--that strengthen their work and the people they serve.

In addition, Donors Forum serves as fiscal sponsor for Chicago African-Americans in Philanthropy (CAAIP). The mission of CAAIP, is to encourage philanthropy in the African American community; research and encourage the development of grantmaking programs at foundations and corporations which benefit the community; promote dialogue between philanthropic organizations and agencies serving African-American communities; provide networking and mentorship opportunities; and partner with individuals and institutions who share in its commitment to promote healthy African-American communities. CAAIP's membership includes current and former trustees and staff of philanthropic institutions.

Basis of accounting

The accounts and financial statements are maintained on the accrual basis of accounting and, accordingly, reflect all significant accounts receivable, accounts payable and other liabilities in conformity with accounting principles for non-profit organizations.

Basis of presentation

The Forum reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, as required by Accounting Principles Generally Accepted in the United States (GAAP).

Donors Forum

Notes to Financial Statements (Continued)

Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Accounting estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative information

The financial statements include certain prior-year information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Forum's audited financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Income taxes

The Forum was granted an exemption from Federal income taxes by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Forum qualifies for the charitable contribution deduction under Section 170 (b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax exempt purpose of the Forum and the nature in which it operates is described above. The Forum continues to operate in compliance with its tax exempt purpose. Management does not believe its financial statements include uncertain tax positions. Tax returns filed during the past three years are subject to examination by taxing authorities; there are currently no examinations being conducted.

Cash and cash equivalents

For financial statement purposes, the Forum considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Financial risk

The Forum maintains its cash in bank deposit accounts which, at times may exceed federally insured limits. The Forum has not experienced any losses in such accounts. Management believes it is not exposed to any significant financial risk on cash.

The Forum also invests in mutual and exchange-traded funds. Such investments are exposed to market risk. Due to the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term could materially effect investment balances and the amounts reported in the financial statements.

Donors Forum

Notes to Financial Statements (Continued)

Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Investments and fair value measurement

Investments in mutual and exchange-traded funds are reflected at fair value. Changes in fair value are recorded in the statement of activities in the current period.

Classifications for assets and liabilities measured at fair value on a recurring basis, such as investments are based on the framework established by the Fair Value Measurement and Disclosure accounting guidance. The framework is based on inputs used in valuation and requires that observable inputs be used when available. The disclosure of fair value estimates in the fair value guidance includes a hierarchy based on whether the estimate is disclosed. The highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect significant market assumptions. The levels of the hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets for which the Forum has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

Contributions receivable

Contributions and pledges are recorded when the donor makes a contribution or promise to give to the Forum that is, in substance, unconditional. Contributions that are due beyond one year are carried at the estimated present value of the future receipts using an adjusted risk free interest rate in effect the year the contribution was made. When necessary, an allowance is made for uncollectible contributions based on management's judgment of the creditworthiness of the donors, past collection experience, and other relevant factors. At June 30, 2014, \$535,588 is expected to be received in the subsequent fiscal year. At June 30, 2013, \$424,096 is expected to be received in the subsequent fiscal year and \$300,000 in one to five years.

Property and equipment

Property and equipment with an estimated useful life of more than one year are recorded at cost or estimated fair value if donated. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, ranging from 3 to 10 years. Expenditures for repairs and maintenance are charged to expense as incurred.

Donors Forum

Notes to Financial Statements (Continued)

Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Support and revenue

The Forum reports gifts of cash and other assets as restricted support if they are received with a donor stipulation that limits the use of the donated assets. When a donor restriction expires - that is, when a stipulated time restriction ends or purpose restriction is accomplished - temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Forum reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Forum reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give are recognized as revenue or gains in the period the promise is received, and as assets, decreases of liabilities, or expenses, depending on the form of the benefit received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Revenue from partner fees, meetings, and subscriptions are recognized as earned, with any unearned amounts recorded as deferred revenue.

Donated services

Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ending June 30, 2014 and 2013, the Forum did not receive donated services meeting these criteria.

In addition, a significant amount of donated services are contributed to the Forum by various individuals who volunteer their time and perform a variety of tasks that assist the Forum with specific programs and various committee assignments. The value of these services is not reflected in these financial statements since they do not meet the criteria for recognition.

Donors Forum

Notes to Financial Statements (Continued)

Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued)

In-Kind contribution

In addition to receiving cash contributions, the Forum receives in-kind contributions from various donors. It is the policy of the Forum to record the estimated fair value of certain in-kind donations as revenue and as an expense or a capitalized asset in its financial statements. For the years ending June 30, 2014 and 2013, the Forum did not receive any in-kind contributions.

Library collection and publications

The library collection and publications (the collections), which were acquired through purchases and contributions since the Forum's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected in the financial statements.

Functional allocation of expenses

Expenses which are common to program and to support services are allocated based on square footage or time allocations as determined by management.

Subsequent events

Management has evaluated subsequent events for disclosure and recognition through December 17, 2014, the date on which these financial statements were available to be issued. All material subsequent events have been disclosed as of that date.

Note B - Wallace Foundation Grant - Public-Nonprofit Partnership

In February 2013, the Forum was awarded a renewable multi-year grant from the Wallace Foundation in the amount of \$895,000 over three years, to establish a policy forum that includes government, philanthropic and nonprofit leaders to analyze and recommend improvements in funding policies, practices and conditions that affect the performance of nonprofit organizations. This grant is an integral part of Wallace's out-of-school time learning initiative.

As of June 30, 2014, \$445,590 has been recorded in these financial statements and remains unspent. \$290,000 is recorded as temporarily restricted and \$155,590 as unrestricted. The Forum expects to spend the remaining funds related to this grant, in accordance with grant stipulations, over the next two fiscal years.

Donors Forum

Notes to Financial Statements (Continued)

Note C - Leases

The Forum leases its operating facility and various items of equipment under non-cancelable operating lease arrangements. These leases expire at various dates through June 30, 2024. Under the operating facility lease agreement, the Forum is required to pay its proportionate share for operating expenses and real estate taxes based on their square footage of the premises. Rental expense for these leases included in the statements of activities for the years ended June 30, 2014 and 2013 was \$306,806 and \$293,017, respectively including building operating expenses and real estate taxes of approximately \$163,000 and \$154,000, respectively.

Future minimum lease payments, including the Forum's share of the building's operating expense and real estate charges, required under the operating leases as of June 30, 2014, are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 260,260
2016	264,992
2017	269,724
2018	274,456
2019	279,188
Thereafter	<u>1,466,920</u>
	<u>\$ 2,815,540</u>

Note D - Investments

The readily determinable fair values of investments held by the Forum as of June 30, 2014 are presented as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total Fair Value</u>
Mutual funds			
Equities	\$ 664,123	\$ 500	\$ 664,623
Bonds	306,999	-	306,999
Exchange traded funds	<u>215,126</u>	<u>-</u>	<u>215,126</u>
Total Investments	<u>\$ 1,186,248</u>	<u>\$ 500</u>	<u>\$ 1,186,748</u>

Donors Forum

Notes to Financial Statements (Continued)

Note D - Investments (Continued)

The readily determinable fair values of investments held by the Forum as of June 30, 2013 are presented as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total Fair Value</u>
Mutual funds			
Equities	\$ 596,366	\$ 500	\$ 596,866
Bonds	266,149	-	266,149
Exchange traded funds	<u>222,410</u>	-	<u>222,410</u>
Total Investments	<u>\$ 1,084,925</u>	<u>\$ 500</u>	<u>\$ 1,085,425</u>

Investment return for the years ending June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 30,597	\$ 42,952
Change in fair value	<u>143,133</u>	<u>70,304</u>
Total return on investments	173,730	113,256
Investment fund payout	<u>(50,000)</u>	<u>(144,678)</u>
Investment income (excess of investment fund payout)	<u>\$ 123,730</u>	<u>\$ (31,422)</u>

Inputs to the valuation of mutual funds, exchange traded funds and money market accounts held by Donors Forum at June 30, 2014 and 2013 are based on quoted market prices for identical assets traded in active markets.

Note E - Fixed Assets

Property and equipment as of June 30 consists of:

	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 50,082	\$ 47,455
Technology infrastructure	133,955	92,740
Leasehold improvements	<u>1,144</u>	<u>1,144</u>
Total fixed assets, at cost	185,181	141,339
Less accumulated depreciation and amortization	<u>(123,373)</u>	<u>(110,976)</u>
Fixed assets, net	<u>\$ 61,808</u>	<u>\$ 30,363</u>

Donors Forum

Notes to Financial Statements (Continued)

Note F - Retirement Plan

The Forum sponsors a defined contribution plan whereby the Forum contributes eight percent of the base salary for eligible employees attaining twenty-one years of age, working more than 1,000 hours in the plan year and after one year of employment. The contributions are invested in individual TIAA-CREF tax-deferred annuity trust accounts. For the years ended June 30, 2014 and 2013, the Forum contributed \$97,974 and \$111,558, respectively, to the plan.

Note G - Deferred Compensation

The Forum adopted a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code for its current President and CEO. Contributions were credited at the start of each fiscal year with such amount to vest only if the plan participant remains employed by Donors Forum at the end of such fiscal year through June 30, 2014.

Cumulative amounts so designated will be credited with a rate of return equal to the five-year Treasury yield as of the start of each fiscal year. Donors Forum has established a separate account on its books for purposes of this program and may decide to fund this liability. At this time Donors Forum has decided not to separately fund this liability. The plan assets are not protected from claims of the Forum's creditors. The accrued liability as of June 30, 2014 and 2013 was \$142,065 and \$115,118, respectively. Donors Forum began paying the liability in July 2014 and the full liability will be paid by January 2020.

Note H - Line of Credit

The Forum is obligated for credit cards issued to employees in its name. At June 30, 2014 and 2013, the Forum's total available credit related to these credit cards was \$65,000. At June 30, 2014 and 2013, \$18,525 and \$4,950, respectively was outstanding and included with accounts payable.

Donors Forum

Notes to Financial Statements (Continued)

Note I - Unrestricted Net Assets

Unrestricted net assets at June 30 consist of the following:

	<u>2014</u>	<u>2013</u>
Undesignated	\$ 1,388,806	\$ 1,606,932
Investment in property and equipment	61,808	30,363
Board Designated		
Chicago African-Americans in Philanthropy (CAAIP)	68,910	90,782
Nonprofit Sector Education	52,321	52,321
Eleanor Petersen Fund	<u>48,018</u>	<u>36,632</u>
Total Board Designated	<u>169,249</u>	<u>179,735</u>
Total Unrestricted Net Assets	<u>\$ 1,619,863</u>	<u>\$ 1,817,030</u>

As described in Note A to the financial statements, the Forum may sponsor various programs, one of which is CAAIP. The above Board Designated - CAAIP net assets are the accumulated unrestricted net assets of this program. These are designated by the Board to be transferred to this program should it become a separate entity in the future.

The Nonprofit Sector Education Fund is a Board Designated fund to support specific activities of Donors Forum that promote greater understanding of the nonprofit sector and/or promote an informed and effective nonprofit sector in Illinois. The funds can be used at the discretion of the Board of Directors upon the recommendation of the President and CEO.

The Eleanor Petersen Fund was established by the Board for the Advancement of Donor-Donee relationships. In 1987, \$27,445 was raised to establish this fund which is to remain as designated principal to generate income. The current value of the fund is reflected in unrestricted net assets in the accompanying Statement of Financial Position. The first \$1,000 of income each year is to be used to support the Donors Forum Library. The remainder of income earned can be used at the discretion of the Board upon the recommendation of the President and CEO.

Donors Forum

Notes to Financial Statements (Continued)

Note J - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30 are available for the following projects:

	2014	2013
<i>Donors Forum</i>		
General operating included in contributions receivable	\$ 135,000	\$ 50,000
Goldhamer Fund	2,569	2,569
Member contribution-time restriction	37,500	72,000
Philanthropy Center marketing and promotion	2,143	2,143
Workshop Fellows	770	770
Strategic Planning	50,000	-
Public-Nonprofit Partnership		
Field Foundation	-	15,000
Wallace Grant	290,000	600,000
Interest earned on grant funds	-	6,672
Member luncheon/annual networking events	17,500	4,000
BSI	7,500	-
Extra Boost II	-	22,500
Midwest Community Foundation Venture Access to Recreation	-	14,585
Total Temporarily Restricted Net Assets	\$ 542,982	\$ 790,239

Note K - Permanently Restricted Net Assets

In 1994, the Forum received a grant of \$10,000 to create the Allen Goldhamer Memorial Endowment Scholarship Fund. A contribution of \$500 was added to this fund in the year ending August 31, 1995. At June 30, 2011 the Forum released \$10,000 from permanently restricted net assets in accordance with donor instructions.

Donors Forum

Schedule of Activities for CAAIP

For the year ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
<u>Public Support and Revenue</u>			
Sponsors meetings and workshops	\$ 6,315	\$ -	\$ 6,315
Grants	5,400	-	5,400
Member dues	4,600	-	4,600
Subtotal	16,315	-	16,315
Net assets released from restrictions - satisfaction of program restriction	-	-	-
Total public support and revenue	16,315	-	16,315
<u>Expenses</u>			
Outside services - technology and other	25,496	-	25,496
Dues	2,000	-	2,000
Workshops and meetings	6,184	-	6,184
Other expenses	2,007	-	2,007
Fiscal administration fee (Note 1)	2,500	-	2,500
Total expenses	38,187	-	38,187
Change in net assets	(21,872)	-	(21,872)
Net assets, beginning of year	90,782	-	90,782
Net assets, end of year	\$ 68,910	\$ -	\$ 68,910

Note 1 - The fiscal administration fee represents CAAIP's portion of the Donors Forum's operating costs. In preparation of the Forum's financial statements, the revenue to Donors Forum and the fiscal administration fees to CAAIP are eliminated to conform with Generally Accepted Accounting Principles presentation for the Statement of Activities and Statement of Functional Expenses.