Sassetti

The Chicago Bar Foundation

Financial Statements

Years Ended May 31, 2025 and May 31, 2024

THE CHICAGO BAR FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Chicago Bar Foundation
Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Chicago Bar Foundation (a nonprofit foundation), which comprise the statements of financial position as of May 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Chicago Bar Foundation as of May 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Chicago Bar Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 The Chicago Bar Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 and *Government 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 the audit in accordance with generally accepted auditing standards and *Government 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 The Chicago Bar Foundation'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 The Chicago Bar Foundation'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 audits.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025, on our consideration of The Chicago Bar Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Chicago Bar Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Chicago Bar Foundation's internal control over financial reporting and compliance.

Sassetti LLC

Oak Brook, Illinois

October 7, 2025

THE CHICAGO BAR FOUNDATION

STATEMENTS OF FINANCIAL POSITION

MAY 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,036,490	$ 1,464,372
Investments	1,990,304	887,128
Accounts receivable	702,002	143,137
Current portion of pledges receivable	661,081	258,348
Prepaid expenses	62,840	121,977
Total Current Assets	8,452,717	2,874,962
OTHER ASSETS		
Long-term pledges receivable - net	1,042,329	84,355
Deposits	14,892	7,092
Property and equipment - net	416,994	451,549
Right-of-use asset	208,200	65,263
Total Other Assets	1,682,415	608,259
Total Assets	$ 10,135,132	$ 3,483,221
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 113,381	$ 131,905
Grants payable	944,200	638,445
Short-term lease liability	91,351	63,977
Deferred sponorship revenue	56,080	63,230
Advances from funders	3,240,740	80,799
Total Current Liabilities	4,445,752	978,356
LONG-TERM LIABILITIES		
Long-term lease liability	116,128	-
NET ASSETS		
Without donor restrictions	2,738,246	1,260,066
With donor restrictions	2,835,006	1,244,799
Total Net Assets	5,573,252	2,504,865
Total Liabilities and Net Assets	$ 10,135,132	$ 3,483,221

The accompanying notes are an integral part of the financial statements.

THE CHICAGO BAR FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED MAY 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT						
Contributions, net of discount	$ 458,146	$ 3,709,702	$ 4,167,848	$ 477,422	$ 2,264,583	$ 2,742,005
Grants	84,837	8,251,780	8,336,617	74,360	6,998,953	7,073,313
Cy pres distributions	2,273,410	-	2,273,410	778,146	-	778,146
Special events revenue, net of direct benefit to donors of $295,709 and $275,716, respectively	516,483	-	516,483	395,860	-	395,860
Investment return - net of fees	157,123	24,544	181,667	100,882	23,158	124,040
Net assets released from restrictions	10,395,819	(10,395,819)	-	8,726,388	(8,726,388)	-
Total Revenue, Gains, and Other Support	13,885,818	1,590,207	15,476,025	10,553,058	560,306	11,113,364
EXPENSES						
Grants and program services	11,606,906	-	11,606,906	9,405,590	-	9,405,590
Management and general	499,754	-	499,754	465,486	-	465,486
Fundraising	300,978	-	300,978	269,942	-	269,942
Total Expenses	12,407,638	-	12,407,638	10,141,018	-	10,141,018
CHANGE IN NET ASSETS	1,478,180	1,590,207	3,068,387	412,040	560,306	972,346
NET ASSETS						
Beginning of year	1,260,066	1,244,799	2,504,865	848,026	684,493	1,532,519
End of year	$ 2,738,246	$ 2,835,006	$ 5,573,252	$ 1,260,066	$ 1,244,799	$ 2,504,865

The accompanying notes are an integral part of the financial statements.

THE CHICAGO BAR FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2025

	Program Services	Management and General	Fundraising	Total
Grants awarded	$ 9,777,500	$ -	$ -	$ 9,777,500
Salaries, taxes, and fringe benefits	851,442	279,244	275,244	1,405,930
Occupancy	107,394	9,084	8,574	125,052
Office expenses	15,535	78,574	5,493	99,602
Professional fees and consulting	704,662	65,426	291	770,379
Depreciation expense	22,673	5,900	5,982	34,555
Meetings, conferences, and grantee programs	102,059	9,272	881	112,212
Marketing, printing, and design	15,516	22,328	3,792	41,636
Computers and equipment	10,125	29,926	721	40,772
	$ 11,606,906	$ 499,754	$ 300,978	$ 12,407,638

The accompanying notes are an integral part of the financial statements.

THE CHICAGO BAR FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2024

	Program Services	Management and General	Fundraising	Total
Grants awarded	$ 7,442,225	$ -	$ -	$ 7,442,225
Salaries, taxes, and fringe benefits	814,432	262,331	247,739	1,324,502
Occupancy	100,881	8,511	8,378	117,770
Office expenses	6,477	80,359	2,843	89,679
Professional fees and consulting	878,674	62,452	319	941,445
Depreciation expense	21,000	5,928	6,009	32,937
Meetings, conferences, and grantee programs	109,468	4,135	-	113,603
Marketing, printing, and design	17,296	16,878	3,927	38,101
Computers and equipment	15,137	24,892	727	40,756
	$ 9,405,590	$ 465,486	$ 269,942	$ 10,141,018

The accompanying notes are an integral part of the financial statements.

THE CHICAGO BAR FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,068,387	$ 972,346
Adjustments to reconcile change in net assets to to net cash (used in) provided by operating activities:		
Depreciation	34,555	32,937
Unrealized (gain) loss on investments	(39,422)	55,140
Noncash lease expense	15,672	69,685
Discount on long-term pledges	196,850	2,248
Contributions restricted for long-term investment	(300,000)	-
Noncash contributions restricted for long-term investment	(1,500,000)	-
Decrease (increase) operating assets:		
Accounts receivable	(755,715)	111,960
Pledges receivable	139,293	41,920
Prepaid expenses	59,137	(10,820)
Deposits	(7,800)	(33)
Increase (decrease) operating liabilities:		
Accounts payable and accrued expenses	(18,524)	43,535
Grants payable	305,755	(539,835)
Deferred sponsorship revenue	(7,150)	80,799
Advances from funders	3,159,941	(2,280,802)
Lease liability	(15,107)	(70,631)
Net Cash Provided by (Used in) Operating Activities	4,335,872	(1,491,551)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,098,104)	(513,588)
Proceeds from sale of investments	1,034,350	116,737
Purchase of property and equipment	-	(13,248)
Net Cash Used in Investing Activities	(1,063,754)	(410,099)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on debt	-	(28,914)
Proceeds from contributions restricted for investment in perpetual endowment	300,000	-
Net Cash Provided by (Used in) Financing Activities	300,000	(28,914)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,572,118	(1,930,564)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,464,372	3,394,936
End of year	$ 5,036,490	$ 1,464,372
SUPPLEMENTAL DISCLOSURE		
Interest paid	$ -	$ 435
Income taxes paid	$ -	$ -
Right-of-use assets obtained in exchange for operating lease liability	$ 215,998	$ -

The accompanying notes are an integral part of the financial statements.

1. NATURE OF FOUNDATION

Nature of Foundation - The Chicago Bar Foundation (the Foundation) is a nonprofit corporation whose mission is to bring Chicago's legal community together through advocacy, funding, and innovation to improve access to justice for people in need and to make the legal system more fair, equitable, and effective for everyone. The Foundation's primary sources of revenue are from private contributions, grants, and fundraising programs. The Foundation is an affiliate of The Chicago Bar Association (the Association) and conducts its activities from a condominium building that also houses the Association's offices.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements of Chicago Bar Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Cash and Cash Equivalents – For purpose of the statement of cash flows, the Foundation considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Cash held by the Foundation in bank accounts may, at times, exceed federally insured credit limits. The Foundation has not experienced any loss in such accounts and believes it is not subject to any significant credit risks on cash at May 31, 2025 and 2024.

Investments – The Foundation's investments are reported at fair value. Investments income, including net realized and unrealized gains/losses are reflected in the statement of activities and changes in net assets. Interest and dividend income is recorded on the accrual basis.

Accounts Receivable – Accounts receivable represent grants and contributions to be received within twelve months. Management has a policy to establish an allowance for doubtful accounts based on a specific assessment of all receivables that remain unpaid following normal payment periods. Management considers all accounts receivable collectible and, therefore, an allowance for doubtful accounts has not been recorded at May 31, 2025 or 2024.

Pledges Receivable - Pledges receivable represent contributions that are expected to be received over an extended period of them and are reported at their net present values. An allowance for uncollectible pledges is estimated based upon management's judgement, including such factors as prior collection history and the type of pledge. Pledges are shown net of the allowance for uncollectible pledges and the present value discount, if any.

Property and Equipment - Expenditures for property and equipment, and items which substantially increase the useful lives of existing assets, are capitalized at cost. The Foundation capitalizes all expenditures and contributions of property and equipment over $1,500. Donated property and equipment is recorded at its estimated fair value when received. Depreciation is computed on the straight-line method at rates designed to depreciate the costs of assets over the estimated useful lives of depreciable assets. The cost of leasehold improvements is depreciated over the lesser of

the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Classification of Net Assets - Under generally accepted accounting principles, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. The net assets of the Foundation are reported in the two self-balancing groups as follows:

Net Assets without Donor Restriction: Net assets without donor restriction are for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which make them unavailable for use at management's discretion.

Net Assets with Donor Restriction: Net assets with donor restriction consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Foundation reports gifts of cash and other assets as revenue with donor restriction 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. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Deferred Sponsorship Revenue – Sponsorships received in advance for future events are recorded as deferred revenue. Recognition as revenue occurs when the event takes place.

Leases – The Foundation determines if an arrangement is a lease at inception. The Foundation's operating leases are included in right-of-use (ROU) lease asset and lease liability.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Revenue Recognition – The Foundation generally measures exchange revenue based on the amount of consideration the Foundation expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Foundation satisfies its performance obligations under a contract, except in transactions where US GAAP provides other applicable guidance. The Foundation did not have any exchange revenue during the years ended May 31, 2025 or 2024.

Contributions – Unconditional promises to give cash and other assets to the Foundation are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions 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 the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Net assets with donor restrictions at May 31, 2025 and 2024 are restricted for time and various programmatic purposes.

A portion of the Foundation's revenue is derived from cost-reimbursable federal and county grants, which is conditional upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract and grant provisions. Any amounts received in advance would be recorded as refundable advances in the statement of financial position. Contributions of approximately $8.9 million have not been recognized in the accompanying statement of activities and changes in net assets because the qualifying expenditures have not yet been incurred as of May 31, 2025.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collected.

Cy Pres Distributions – Cy pres distributions are awarded by the courts and are recorded as revenue when official award notifications with amounts specified are received by the Foundation.

Special Events – The Foundation hosts special events to raise contributions to support the Foundation's activities. The Foundation recognizes sponsorships as revenue after the event takes place, which is presented in the statement of activities.

Grants Payable and Programs – Grants promised are recorded as liabilities and expensed at the time they are approved by the Board of Directors. For cost reimbursement or pass-through grants, the Organization recognizes expenses and corresponding liabilities only for the portion of costs incurred.

During the years ended May 31, 2025 and 2024, the Foundation had contracts with Cook County, Illinois to fund services in connection with the resolution of residents' housing and debt issues as well as two court-based help desks. The Foundation enters into grant contracts with various grantees who provide services under its agreement with Cook County, Illinois. Revenue is recognized as it is earned through expenditure and service delivery. The Foundation reimburses its grantees on a monthly basis.

Income Taxes – The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for net income derived from unrelated business activities. The Foundation's income tax filings are subject to audit by various taxing authorities, generally for three years after they were filed.

Functional Allocation of Expenses – Costs of providing the program and support services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Expenses deemed to be indirect to employee work, such as professional services, are considered to be management and general expenses. Other expenses utilized by all employees, such as occupancy, utilities, and training, are also allocated on the basis of time and effort. Costs have been allocated between the various programs and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that may produce significantly different amounts.

Use of Accounting 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue, expenses, gains, losses and other changes in net assets during the during the reporting period. Actual results could differ from those estimates.

Subsequent Events – The Foundation has evaluated subsequent events through October 7, 2025, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of that date.

3. FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

A financial instrument's categorization within the fair value hierarchy is based upon the lowest of input that is significant to the fair value measurement.

GAAP establishes three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or dissimilar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. There are no changes in valuation methodologies used at May 31, 2025 or 2024. The fair value of the Foundation's mutual funds and common stock and equity funds are based on readily available quote market prices. Money market funds are based on the net asset value of the underlying investments.

The following tables present assets measured at fair value on a recurring basis as of May 31, 2025 and 2024:

	2025			
	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 29,174	$ -	$ -	$ 29,174
Common stock and equity funds	574,116	$ -	$ -	$ 574,116
Fixed income	251,606			251,606
Total investments at fair value	$ 854,896	$ -	$ -	$ 854,896
Money market funds (a)				1,135,408
Total Investments				$ 1,990,304

	2024			
	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 24,394	$ -	$ -	$ 24,394
Common stock and equity funds	474,906	-	-	474,906
Total investments at fair value	$ 499,300	$ -	$ -	499,300
Money market funds (a)				387,828
Total Investments				$ 887,128

(a) In accordance with GAAP, certain investments measured at net asset value per share have not been classified in the fair value hierarchy. The fair value amounts presented above are intended to permit reconciliation to the statements of financial position.

4. PLEDGES RECEIVABLE

Pledges receivable represent donors' promises to pay contributions to the Foundation (including The Justice Society program) and are measured at the present value of estimated future cash flows using a discount rate based on the applicable federal rate for the year in which the funds

were received, which was 4% as of May 31, 2025 and 2024. The allowance for uncollectible contributions is a general valuation based on the percentage of prior year pledge write-offs. Specific pledges deemed uncollectible are charged against the allowance for uncollectible pledges in the period in which the determination is made. Both the general allowance and the specific write-offs are reported in the statement of activities and changes in net assets.

Pledges outstanding at May 31, 2025 and 2024 are expected to be collected as follows:

	2025	2024
Receivable in less than a year	$ 663,707	$ 258,348
Receivable in one to five years	1,249,415	89,338
Gross unconditional promises to give	1,913,122	347,686
Less present value discount	(207,086)	(4,983)
Net unconditional promises to give	$ 1,706,036	$ 342,703

5. PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at May 31:

	2025	2024
Condominium and improvements	$ 708,004	$ 708,004
Equipment and fixtures	114,163	114,163
Total property and equipment	822,167	822,167
Less accumulated depreciation	(405,173)	(370,618)
Property and equipment, net	$ 416,994	$ 451,549

Depreciation expenses for the years ended May 31, 2025 and 2024 was $34,555 and $32,937, respectively.

6. GRANTS PAYABLE

The grants payable are $944,200 and $638,445 as of May 31, 2025 and 2024, respectively. Grants payable reflect amounts that have been approved by the board to support legal aid services to specific organizations that have not yet been paid out by the end of the year. All grants payable are to be paid out in the following fiscal year.

7. NOTES PAYABLE

The Foundation entered into a debt agreement with a bank during fiscal year 2019.

The note payable of $250,000 matured in July 2023 and had monthly installments of $4,167 plus interest at overnight LIBOR plus 3.25%. The note was collateralized by the real properly constructed under and associated with the terms of the notes.

8. CONTINGENCY

The Foundation has received significant revenues from federal and county agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a repayment liability. Management believes any such disallowed items would not have a material effect on the Foundation's financial position and results of operations.

9. LEASES

The Foundation leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2027. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain equipment leases require the Foundation to guarantee minimum residual values. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require the Foundation to pay real estate taxes, insurance, and repairs.

The following table provides qualitative information concerning the Foundation's leases for the years ending May 31, 2025 and 2024:

	2025	2024
ROU assets obtained in exchange for operating lease liabilities	$ 215,998	$ -
Weighted-average remaining operating lease team	2.33	.89 years
Weighted-average discount rate	4.10%	3.57%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of May 31, 2025 is as follows:

Year Ending May 31	
2026	$ 94,032
2027	94,032
2028	31,344
Undiscounted cash flows	219,408
Less: imputed interest	(11,929)
Total lease liabilities	$ 207,479

10. DEFINED CONTRIBUTION PLANS

The Foundation sponsors a defined contribution 403(b) plan for all eligible employees, as defined. Employees may make elective contributions to the 403(b) plan in accordance with the Internal Revenue Service regulations. The Foundation may make contributions to the 403(b) plan, as approved by the Board.

Total contributions to the plan for the years ended May 31, 2025 and 2024 amounted to $30,273 and $27,506, respectively.

11. AFFILIATED ORGANIZATION TRANSACTIONS

In accordance with the bylaws of the Foundation, four members of the board of managers of the Association, an affiliated organization, are appointed as directors of the Foundation for a one-year term. There are 32 voting directors of the Foundation.

The Foundation receives voluntary contributions from members of the Association. These contributions accompany their dues remittances to the Association. Contribution revenue from members of the Association for the years ended May 31, 2025 and 2024 was $8,609 and $10,089, respectively. The Foundation also pays for The Chicago Bar Association membership and complimentary continuing legal education for attorneys practicing at the Foundation's grantee organizations. The Association provides these memberships at a reduced rate.

Related party amounts consisted of receivables totaling $21,418 and $19,241 as of May 31, 2025 and 2024, respectively.

12. ENDOWMENTS

The Foundation's endowment consists of funds established for the purpose of providing an ongoing source of income to the Foundation. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. During the year ended May 31, 2025, the Foundation entered into multiple endowment agreements with donors totaling $1,800,000 in committed contributions. Under the terms of these agreements, the pledged amounts are to be received in installments over specified periods, with final payments expected to be received through 2034. The endowment funds established through these agreements are intended to be maintained with investment income available for expenditure in accordance with the Foundation's spending policy and donor imposed restrictions. The Foundation did not have any endowment funds as of May 31, 2024.

Interpretation of Relevant Law

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on June 30, 2009. The board of directors has adopted a spending policy that requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

As a result of this policy, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of any discounts or an allowance for uncollectible pledges) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence described by UPMIFA.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

Donor-restricted endowments are spent in accordance with the donors' requirements; distributions are made for purposes that conform to the donors' stated intentions.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments).

There were no such deficiencies at May 31, 2025.

Endowment net asset composition by type of fund as of May 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount:			
Cash received	$ -	$ 300,000	$ 300,000
Amounts to be received in future periods	-	1,500,000	1,500,000
Net present value discount	-	(204,727)	(204,727)
Accumulated investment earnings	-	6,297	6,297
Total endowment net assets	$ -	$ 1,601,570	$ 1,601,570

Changes in endowment net assets for the year ended May 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, May 31, 2024	$ -	$ -	$ -
Contributions	-	1,800,000	1,800,000
Net present value discount	-	(204,727)	(204,727)
Investment return, net	-	10,435	10,435
Appropriation for expenditure	-	(4,138)	(4,138)
Endowment net assets, May 31, 2025	$ -	$ 1,601,570	$ 1,601,570

13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor time or purpose restrictions at May 31:

	2025	2024
Net assets subject to donor purpose restrictions:		
Investing in Justice Campaign Fund	$ 837,578	$ 818,090
Law School Public Interest Scholarships (Moses)	107,296	116,845
Scholarships to Needy Law Students Pursuing Careers in Legal Aid and Public Interest (Marovitz)	5,533	4,994
Support of Projects to the CBA Young Lawyers Sections and Other Legal Projects for the Benefit of Children (Gray)	11,542	10,917
Annual Award to Lawyer under age 35 who Provided Outstanding Service (Weigle)	20,481	21,474
Annual Award to Lawyer in Public Service who has Demonstrated Excellent Work, Leadership, and Service (Morsch)	10,000	10,000
Polk Bros. Fund for Cook County Housing & Debt	-	53,569
Silicon Valley Community Foundation Migrant Legal Services	-	10,000
Schrager Award Fund	17,659	-
Resource Center Fund	18,761	-
Community Response Fund	240	-
Silicon Valley Community Foundation - Preparedness Fund	42,000	-
Net assets subject to time restriction	162,346	198,910
Net assets restricted in perpetuity:		
The Patton Legal Aid Training Academy	951,422	-
Kimball R. Anderson & Karen Gatsis Anderson Public Interest Law Fellowship	650,148	-
Total net assets with donor restrictions	$ 2,835,006	1,244,799

The Foundation generally assesses a 2% annual administrative fee to a limited number of funds when permitted by the donor.

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified as follows for the years ended May 31:

	2025	2024
Investing in Justice Campaign Fund	$ 1,443,707	$ 809,985
Cook County Legal Aid Early Resolution Program and Mortgage Foreclosure Mediation Program	7,903,592	6,686,700
Chicago Area Fund for Legal Assistance	305,240	315,882
Cook County Municipal Advice Desk	216,081	195,892
Cook County Guardianship Desk	91,250	85,808
Kimball R. Anderson & Karen Gatsis Anderson Public Interest Law Fellowship	25,000	25,000
Federal Pro Bono Help Desk Support	25,000	25,000
Law School Public Interest Scholarships (Moses)	20,000	20,000
Support of Projects of the CBA Young Lawyers Sections and Other Legal Projects for the Benefit of Children (Gray)	281	8,000
Annual Award to a Lawyer Under Age 35 who Provided Outstanding Service (Weigle)	2,559	2,549
Annual Award to a Lawyer in Public Service who has Demonstrated Excellent Work, Leadership, and Service (Morsch)	10,000	10,000
Bankruptcy Pro Bono Fund	15,000	-
Polk Bros. Fund for Cook County Housing & Debt	53,569	210,908
JusticeCorp	84,836	74,360
Silicon Valley Community Foundation Migrant Legal Services	10,000	105,000
Schrager Award Fund	2,500	-
Resource Center Fund	6,239	-
CBF Patton Legal Aid Academy Endowment	4,138	-
Silicon Valley Community Foundation - Preparedness Fund	113,000	-
Justice Entrepreneur Project Support	45,689	37,113
Domestic Relations Self-Help Desk	15,058	-
Time restriction	3,080	114,191
Total net assets released from restrictions	$ 10,395,819	$ 8,726,388

14. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of May 31, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions effective within one year of the statement of financial position date:

	2025	2024
Cash and cash equivalents	$ 5,036,490	$ 1,464,372
Pledges and accounts receivable to be received within 12 months	1,363,083	485,840
Investments	1,990,304	887,128
Total financial assets available in less than one year:	8,389,877	2,837,340
Less: amounts unavailable for general expenditures due to donor restriction:	2,835,006	1,190,380
Total financial assets available to management for general expenditure within one year	$ 5,554,871	$ 1,646,960

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The Chicago Bar Foundation

Single Audit

Year Ended May 31, 2025

THE CHICAGO BAR FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MAY 31, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title		Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Treasury					
Passed-through Cook County					
American Rescue Plan Act of 2021-					
Coronavirus State and Local Fiscal Recovery Funds	*	21.027	HFEFPN1L2US5	$ 6,056,366	$ 6,611,926
Total Expenditures of Federal Awards				$ 6,056,366	$ 6,611,926

* Audited as a major program at May 31, 2025.

See Notes to Schedule of Expenditure of Federal Awards

THE CHICAGO BAR FOUNDATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MAY 31, 2025

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of The Chicago Bar Foundation under programs of the federal government for the year ended May 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Because the Schedule presents only a selected portion of the operations of The Chicago Bar Foundation, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of The Chicago Bar Foundation. Pass-through entity identifying numbers are presented where available.

The Foundation has elected not to use the 10% de minimis indirect cost rate.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal awards is presented on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Payments to Subrecipients

The Chicago Bar Foundation provided $6,056,366 of Federal awards to sub-recipients during the year ended May 31, 2025.

Non - Cash Assistance

The Chicago Bar Foundation received no non-cash assistance during the year ended May 31, 2025.

Insurance, Loans, and Loan Guarantees

During the year ended May 31, 2025, The Chicago Bar Foundation received no insurance, loans, loan guarantees or other Federal assistance for the purpose of administering Federal programs.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
The Chicago Bar Foundation
Chicago, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Chicago Bar Foundation (a nonprofit Foundation), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Chicago Bar Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of The Chicago Bar Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of The Chicago Bar Foundation's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Chicago Bar Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sassetti LLC

Oak Brook, Illinois
October 7, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
The Chicago Bar Foundation
Chicago, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Chicago Bar Foundation's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Chicago Bar Foundation's major federal programs for the year ended May 31, 2025. The Chicago Bar Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Chicago Bar Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Chicago Bar Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Chicago Bar Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Chicago Bar Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance

with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Chicago Bar Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Chicago Bar Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Chicago Bar Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Chicago Bar Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sassetti LLC

Oak Brook, Illinois
October 7, 2025

THE CHICAGO BAR FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MAY 31, 2025

PART I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X No
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Dollar threshold used to determine Type A programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	____ No
Type of auditors' report on compliance for major programs:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	____ Yes	X No

Identification of major programs

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

THE CHICAGO BAR FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MAY 31, 2025

PART II - FINANCIAL STATEMENT FINDINGS

NONE

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

PART IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

NONE