Chicago Engineers' Foundation of the Union League Club

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors Of
Chicago Engineers' Foundation of the Union League Club

Opinion

We have reviewed the accompanying financial statements of Chicago Engineers' Foundation of the Union League Club (a nonprofit organization) which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities and changes in net assets, cash flows and functional expenses for the years ended June 30, 2025 and June 30, 2024 and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's (owners') financial data and making inquiries of company management (owners). 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, we do not express such an opinion.

Responsibilities of Management for the Financial Statements

Management (Owners) is (are) 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 Responsibilities

Our 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 AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Union League Club (a nonprofit organization) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Auditor's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Michael Cogliance CPA, P.C.

Lincolnshire, IL
September 4, 2025

Chicago Engineers' Foundation of the Union League Club
Statements of Financial Position
June 30, 2025 and 2024

	June 30, 2025			June 30, 2024		
	Without Donor Restrictons	With Donor Restrictons	Total	Without Donor Restrictons	With Donor Restrictons	Total
ASSETS						
Current Assets						
Cash	$ 40,861	$ 10,000	$ 50,861	$ 61,925	$ -	$ 61,925
Contributions receivable	26,478	5,600	32,078	27,545	6,000	33,545
Total Current Assets	67,339	15,600	82,939	89,470	6,000	95,470
Other assets						
Investments	361,055	50,569	411,624	332,724	46,601	379,325
Long-term contributions receivable	-	12,400	12,400	-	18,000	18,000
Total Other Assets	361,055	62,969	424,024	332,724	64,601	397,325
TOTAL ASSETS	$ 428,394	$ 78,569	$ 506,963	$ 422,194	$ 70,601	$ 492,795
LIABILITIES & NET ASSETS						
Current Liabilities						
Accounts payable	$ 10,895	$ -	$ 10,895	$ 11,542	$ -	$ 11,542
Total Current Liabilities	10,895	-	10,895	11,542	-	11,542
Net Assets						
Unresticted						
Undesignated	56,444	-	56,444	77,928	-	77,928
Board designated for incentive awards	361,055	-	361,055	332,724	-	332,724
Net assets with donor restrictions	-	78,569	78,569	-	70,601	70,601
Total Net Assets	417,499	78,569	496,068	410,652	70,601	481,253
TOTAL LIABILITIES & NET ASSETS	$ 428,394	$ 78,569	$ 506,963	$ 422,194	$ 70,601	$ 492,795

See accompanying notes to the financial statements

Chicago Engineers' Foundation of the Union League Club
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2025 and 2024

	June 30, 2025			June 30, 2024		
	Without Donor Restrictons	With Donor Restrictons	Total	Without Donor Restrictons	With Donor Restrictons	Total
Support and Revenue						
Contributions	$ 184,222	$ 10,000	$ 194,222	$ 180,886	$ 24,000	$ 204,886
Special events						
Gross proceeds	6,300	-	6,300	6,990	-	6,990
Direct expenses	(6,300)	-	(6,300)	(5,665)	-	(5,665)
Total Support and Revenue	184,222	10,000	194,222	182,211	24,000	206,211
Contributions of nonfinancial assets	1,200	-	1,200	1,000	-	1,000
Net assets released from restrictions	6,000	(6,000)	-	3,700	(3,700)	-
Total Support, Revenue and Releases	191,422	4,000	195,422	186,911	20,300	207,211
Functional Expenses						
Incentive awards and program services	171,511	-	171,511	159,549	-	159,549
Supporting services	23,985	-	23,985	19,243	-	19,243
Fund raising	17,410	-	17,410	29,638	-	29,638
Total Functional Expenses	212,906	-	212,906	208,430	-	208,430
Non-Operating Activities						
Net investment returns	28,331	3,968	32,299	28,427	4,257	32,684
Total Non-Operating Activities	28,331	3,968	32,299	28,427	4,257	32,684
Change In Net Assets	6,847	7,968	14,815	6,908	24,557	31,465
Net Assets Beginning of Year	410,652	70,601	481,253	403,744	46,044	449,788
Net Assets End of Year	$ 417,499	$ 78,569	$ 496,068	$ 410,652	$ 70,601	$ 481,253

See accompanying notes to the financial statements

Chicago Engineers' Foundation of the Union League Club
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	June 30, 2025	June 30, 2024
Cash Flows from Operating Activities		
Change in net assets	$ 14,815	$ 31,465
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Restricted for endowment	-	(152)
(Gain) loss on investments, net	(32,299)	(32,684)
(Increase) decrease in:		
Contributions receivable	1,467	(19,469)
Prepaid expenses	-	3,500
Increase (decrease) in:		
Accounts payable	(647)	9,122
Net cash used by operating activities	(16,664)	(8,218)
Cash Flows from Investing Activities		
Transfers from investments	-	-
Net cash provided by investing activities	-	-
Cash Flows from Financing Activities		
Restricted for endowment	0	152
Long-term contributions receivable	5,600	(18,000)
Net cash provided (used) in financing activities	5,600	(17,848)
Net changes in cash	(11,064)	(26,066)
Beginning cash balances	61,925	87,991
Ending cash balances	$ 50,861	$ 61,925

See accompanying notes to the financial statements

Chicago Engineers' Foundation of the Union League Club
Statements of Functional Expenses
For the Years Ended June 30, 2025 and 2024

	2025				2024			
	Program Services	Supporting Services	Fund Raising	Total	Program Services	Supporting Services	Fund Raising	Total
Grants and awards	$ 125,200	$ -	$ -	$ 125,200	$ 114,400	$ -	$ -	$ 114,400
Executive Director fees & salary	27,000	6,750	11,250	45,000	23,400	5,850	9,750	39,000
Payroll taxes and fees	3,337	834	1,390	5,561	2,794	699	1,164	4,657
Accounting fees	-	10,150	-	10,150	-	5,280	-	5,280
Awards celebration	7,570	-	-	7,570	9,555	-	-	9,555
Fundraising	-	-	4,719	4,719	-	-	18,590	18,590
Insurance	-	1,536	-	1,536	-	1,863	-	1,863
Meeting expenses	-	3,386	-	3,386	-	4,215	-	4,215
Occupancy	-	1,200	-	1,200	-	1,000	-	1,000
Office expenses	334	129	51	514	872	336	134	1,342
Outreach	1,722	-	-	1,722	2,853	-	-	2,853
Printing expenses	2,798	-	-	2,798	1,178	-	-	1,178
Public relations	1,104	-	-	1,104	915	-	-	915
Software	2,446	-	-	2,446	3,582	-	-	3,582
Total Functional Expenses	$ 171,511	$ 23,985	$ 17,410	$ 212,906	$ 159,549	$ 19,243	$ 29,638	$ 208,430

See accompanying notes to the financial statements

Chicago Engineers' Foundation of the Union League Club

Notes to Financial Statements

For the Years Ended June 30, 2025 and 2024

Note 1 — Summary of Significant Accounting Policies

Organization

The Chicago Engineers' Foundation of the Union League Club ("CEF") evolved from the Chicago Engineers' Club, an organization established in 1903. In 1969, the organization established a student focus, with a scholarship program that has grown for more than 50 years. The organization's programming includes K-12 outreach to inspire young minds, merit-based scholarship awards to support students through their college studies, and career development activities to equip students with the tools to achieve their engineering career goals.

Basis of Accounting

The financial statements of the CEF have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect 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 and expenses during the reporting period. Actual results could differ from those estimates.

Contributions Receivable

Contributions receivable consist of donations from members of the Union League Club of Chicago (ULCC), which the ULCC collects on behalf of CEF and remits 1-3 months after members' billing, amounts pledged by individuals and other organizations and amounts collected from web site solicitations through PayPal. Contributions that are expected to be collected within one year as of June 30, 2025 and 2024 were $32,078 and $33,545, respectively. There are $12,400 of contributions expected to be collected in one to five years as of June 30, 2025 and $18,000 as of June 30, 2024. No provisions for uncollectible amounts are necessary.

Investments

Investments are stated at their fair value. Realized and unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Interest and dividends are recognized in the period they are earned as unrestricted net assets unless restricted by the donor or by law.

Note 1 — Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

CEF values certain assets and liabilities in accordance with provisions of the Fair Value Measurements and Disclosures Topic 820 of the FASB which establishes a framework for measuring fair value.

That framework defines fair value as the exchange price that would be received for an asset or paid for a liability in an orderly transaction between market participants on the measurement date. The framework also provides a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Level 1 investments are at quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 investments are for inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 investments are for unobservable inputs for the asset or liability.

CEF uses no Level 2 or 3 inputs. All investments are valued on Level 1 inputs.

Net Assets

Net assets, revenue and gains are classified based on the existence or absence of donor-imposed restrictions. When the purpose of the restriction is accomplished, net assets with donor restrictions are released from net assets with donor restrictions and recognized as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Accordingly, net assets of CEF and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to explicit or implicit donor-imposed stipulations that may or will be met either by actions of CEF or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restriction.

Other net assets are perpetual in nature. These net assets are subject to donor-imposed stipulations that will be maintained permanently. At June 30, 2025 and 2024, permanently restricted net assets were $60,569 and $46,601, respectively.

Contributions

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 donor restricted support that increases donor restricted net assets. Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the contributions are made.

Note 1 — Summary of Significant Accounting Policies (Continued)

Contributions of nonfinancial assets

Donated services are recognized as contributions of nonfinancial assets if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CEF. Donations for use of facilities and temporary staffing are recorded as contributions of nonfinancial assets at their estimated fair market value at date of donation.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets and in the Statements of Functional Expenses. Accordingly, costs have been allocated among program, supporting and fundraising services, based on either a direct functional method, when applicable, or on a reasonable basis that is consistently applied. Supporting services include expenses that are not directly identifiable with any specific function but provide for the overall support and direction of CEF. The expenses that are allocated include Executive Director fees and salaries, and office expenses.

Income Taxes

CEF is a not-for-profit organization that is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is recognized as a public charity. The Organization is also exempt from state income tax. There were no unrelated business income nor unrecognized tax benefits in the years ending June 30, 2025 and 2024. Each of CEF's annual information returns ending June 30, 2025, 2024, 2023 and 2022 remain subject to examination by the Internal Revenue Service. There were no interest or penalties relating to income taxes recognized in the Statements of Activities. Management does not believe that its financial statements need to include any uncertain tax provisions.

Note 2 — Liquidity and Availability

Financial assets available within one year of the Statement of Financial Position dates for general expenditures are as follows:

	2025	2024
Cash	$ 50,861	$ 61,925
Contributions receivable	32,078	33,545
Investments	411,624	379,325
Total financial assets available within one year	494,563	474,795
Less: Amounts unavailable for general expenditures within one year due to net assets with donor restrictions	(66,169)	(52,601)
Less: Amounts unavailable to management without Board approval - Board designated reserve	(361,055)	(332,724)
Total financial assets available to management for general expenditure within one year	$ 67,339	$ 89,470

Note 3 — Investments

The investments itemized below are considered Level 1 investments which are measured at fair value using the market approach. The market approach values assets at quoted prices in active markets for identical assets. Investments consist primarily of the following on June 30, 2025 and 2024:

	2025	2024
Money market funds	$ 41,398	$ 31,746
Equity mutual funds	244,379	223,678
Fixed income mutual funds	125,848	123,901
Total investments	$ 411,624	$ 379,325

Note 4 — Board Designated Net Assets

Board designated net assets are classified as net assets without donor restrictions based on the absence of donor-imposed restrictions. In May 2011, the CEF Board established an endowment fund with initial assets of $250,000 for the purpose of enhancing funding for its annual incentive awards. The Board also adopted investment and spending policies for endowment assets intended to provide sufficient real returns over the business cycle to contribute additional funding for the annual incentive award program and grow the investment base of the endowment assets over the long term.

Interpretation of Relevant Law

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by Illinois, as requiring the corpus to be maintained at the fair value of the original gift as of the gift date and the original value of subsequent gifts where the donor indicated that a portion of the fund be retained in perpetuity. Any portion of the endowment, including investment income, which is not classified as net assets with donor restrictions - perpetual in nature, is to be classified as net assets without donor restrictions.

Note 5 — Net Assets Released from Donor Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time for the years ended June 30, 2025 and 2024, respectively, are as follows:

	2025	2024
Passage of time	$ 6,000	$ 900
Satisfaction of purpose restrictions	-	2,800
Net assets released	$ 6,000	$ 3,700

Note 6 — Contributions of nonfinancial assets

CEF receives donated facilities and utilities from the ULCC. The estimated annual fair market of the donated rent and utilities is $1,200 for year ended June 30, 2025 and $1,000 for year ended 2024. All donated services are reflected in the accompanying financial statements as both revenue and expense.

Note 7 — Incentive Award Commitments

Incentive award commitments and related expenses consisted of college scholarships granted by CEF to Chicago area students with career aspirations in the engineering field. There were no Incentive Award Commitments as of June 30, 2025 and June 30, 2024 as all had been disbursed prior to each year end. Related expenses for Incentive Awards for the years ended June 30, 2025 and 2024, were $125,200 and $114,400, respectively.

Note 8 — Subsequent Events

Management has evaluated subsequent events through the date of this report, the date the financial statements were available to be issued and have determined that there are no subsequent events that require disclosure.