

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED MAY 31, 2025  
(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)**



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**(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Zonta International and Affiliated Foundation  
Oak Brook, Illinois

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Zonta International and Affiliated Foundation (collectively, the Organization), which comprise the consolidated statement of financial position as of May 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of May 31, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 audit.

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 6, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying statement of financial position, statement of activities, and statement of functional expenses for the year ended May 31, 2025 for Zonta International, and the statement of financial position, statement of activities, and statement of functional expenses for Zonta Foundation for Women are presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
November 4, 2025

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**MAY 31, 2025**  
(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,199,319	\$ 3,968,482
Receivables		
Due from Intermediary	-	92,718
Contributions Receivable	74,425	59,092
Pledges Receivable	130,366	5,000
Interest Receivable	34,880	72,978
Prepaid Expenses:		
Convention	191,092	404,645
Other	264,252	134,877
Investments	27,098,694	24,300,913
Beneficial Interest in Remainder Trust	86,000	86,000
Right-of-Use Operating Lease Asset	157,879	251,233
Right-of-Use Financing Lease Asset	7,606	12,167
Office Equipment and Computers, Net	82,282	128,410
Other Assets	7,932	7,932
	<b>\$ 32,334,727</b>	<b>\$ 29,524,447</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 8,672	\$ 26,813
Accrued and Other Liabilities	134,267	126,206
Awards Payable	1,885,000	-
Deferred Revenue		
Membership	1,429,496	1,581,034
Convention	-	755,717
Other	-	3,203
Operating Lease Liability	173,341	269,114
Financing Lease Liability	7,606	12,167
Total Liabilities	3,638,382	2,774,254
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	9,211,639	8,163,713
Designated by the Board for Convention	757,442	717,577
Designated by Board 12-Month Operating Reserve	2,245,000	2,245,000
Designated by the Board for Foundation Programs	4,686,309	4,717,118
Designated by the Board for Endowment Fund	443,716	406,071
Total Without Donor Restrictions	17,344,106	16,249,479
With Donor Restrictions	11,352,239	10,500,714
Total Net Assets	28,696,345	26,750,193
	<b>\$ 32,334,727</b>	<b>\$ 29,524,447</b>

See accompanying Notes to Consolidated Financial Statements.

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED MAY 31, 2025**  
(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUE AND SUPPORT</b>				
Membership Dues and Fees	\$ 2,172,720	\$ -	\$ 2,172,720	\$2,198,097
Z-Club Dues and Fees	8,105	-	8,105	8,683
U.S. and Canadian Liability Premiums	17,496	-	17,496	18,126
Convention Events and Programs	880,071	-	880,071	4,016
Merchandise Royalties	9,820	-	9,820	6,016
Zontian Subscription	9	-	9	9
Program Contributions	996,461	1,350,962	2,347,423	2,569,103
Royalty Revenue	150,381	-	150,381	-
In-kind Contributions	5,180	-	5,180	-
Endowment Contributions	1,471	1,507,501	1,508,972	448,531
Other Income	-	-	-	2,412
Net Assets Released from Restrictions	2,745,960	(2,745,960)	-	-
Total Revenue and Support	<u>6,987,674</u>	<u>112,503</u>	<u>7,100,177</u>	<u>\$5,254,993</u>
<b>EXPENSES</b>				
Program Services				
Member Services	1,308,897	-	1,308,897	1,365,212
Convention	639,961	-	639,961	174,764
International Service and Education Programs	<u>3,906,851</u>	-	<u>3,906,851</u>	<u>820,000</u>
Total Program Services	<u>5,855,709</u>	-	<u>5,855,709</u>	<u>2,359,976</u>
Supporting Services				
Management and General	655,928	-	655,928	716,931
Fundraising	<u>460,276</u>	-	<u>460,276</u>	<u>235,772</u>
Total Supporting Services	<u>1,116,204</u>	-	<u>1,116,204</u>	<u>952,703</u>
Total Expenses	<u>6,971,913</u>	-	<u>6,971,913</u>	<u>3,312,678</u>
<b>CHANGE IN NET ASSETS BEFORE NONOPERATING GAINS</b>	15,761	112,503	128,264	1,942,315
<b>NONOPERATING GAINS (LOSSES) AND TRANSFERS</b>				
Interest Income	604,452	319,636	924,088	869,819
Depreciation	(58,256)	-	(58,256)	(57,011)
Realized and Unrealized Gains, Net	555,987	419,386	975,373	757,057
Foreign Currency Transaction Loss, Net	<u>(23,317)</u>	-	<u>(23,317)</u>	<u>(2,031)</u>
Total Nonoperating Gains and Transfers	<u>1,078,866</u>	<u>739,022</u>	<u>1,817,888</u>	<u>1,567,834</u>
<b>CHANGE IN NET ASSETS</b>	1,094,627	851,525	1,946,152	3,510,149
Net Assets - Beginning of Year	<u>16,249,479</u>	<u>10,500,714</u>	<u>26,750,193</u>	<u>23,240,044</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 17,344,106</u>	<u>\$ 11,352,239</u>	<u>\$ 28,696,345</u>	<u>\$ 26,750,193</u>

See accompanying Notes to Consolidated Financial Statements.

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2025**  
**(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)**

	2025							2024	
	Program Services				Supporting Services			Total Expenses	Total Expenses
	Member Services	Convention	International Service and Education Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and Wages	\$ 706,985	\$ -	\$ -	\$ 706,985	\$ 199,706	\$ 222,517	\$ 422,223	\$ 1,129,208	\$ 977,657
Employee Benefits	99,704	-	-	99,704	28,122	-	28,122	127,826	114,762
Payroll Taxes	51,847	-	-	51,847	14,623	-	14,623	66,470	60,345
Fees for Services									
Legal	-	-	-	-	12,762	-	12,762	12,762	11,329
Accounting	-	-	-	-	112,189	-	112,189	112,189	117,703
Other	58,582	-	-	58,582	-	-	-	58,582	70,289
Office Expenses	80,405	-	-	80,405	36,164	16,063	52,227	132,632	119,622
Information Technology	29,553	-	-	29,553	9,851	-	9,851	39,404	69,360
Occupancy	109,737	-	-	109,737	36,579	-	36,579	146,316	143,410
Conferences and Meetings	19,192	-	-	19,192	-	-	-	19,192	13,927
Convention - 2024	-	622,319	-	622,319	-	-	-	622,319	167,845
Convention - 2026	-	13,226	-	13,226	-	-	-	13,226	6,919
Convention - 2028	-	4,416	-	4,416	-	-	-	4,416	-
Consulting	-	-	-	-	-	126,050	126,050	126,050	-
Travel	10,999	-	-	10,999	-	-	-	10,999	21,654
Depreciation and Amortization	43,692	-	-	43,692	14,564	-	14,564	58,256	57,011
Insurance	-	-	-	-	70,572	-	70,572	70,572	72,959
Bank and Transaction Fees	-	-	-	-	51,694	-	51,694	51,694	53,561
Communications	-	-	-	-	-	11,041	11,041	11,041	9,968
Donor Recognition	-	-	-	-	-	39,346	39,346	39,346	36,549
Grants	-	-	3,906,851	3,906,851	-	-	-	3,906,851	820,000
Database	-	-	-	-	-	45,259	45,259	45,259	43,448
Licensing Fees	-	-	-	-	8,755	-	8,755	8,755	10,042
Board/International Committees	-	-	-	-	61,737	-	61,737	61,737	263,362
International Leadership Convention	59,372	-	-	59,372	-	-	-	59,372	-
Zontian Magazine	74,080	-	-	74,080	-	-	-	74,080	74,922
Miscellaneous Expenses	8,441	-	-	8,441	13,174	-	13,174	21,615	33,045
Total Expenses	<u>1,352,589</u>	<u>639,961</u>	<u>3,906,851</u>	<u>5,899,401</u>	<u>670,492</u>	<u>460,276</u>	<u>1,130,768</u>	<u>7,030,169</u>	<u>3,369,689</u>
Less: Expenses Included in Nonoperating Gains (Losses) on the Statement of Activities									
Depreciation	(43,692)	-	-	(43,692)	(14,564)	-	(14,564)	(58,256)	(57,011)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 1,308,897</u>	<u>\$ 639,961</u>	<u>\$ 3,906,851</u>	<u>\$ 5,855,709</u>	<u>\$ 655,928</u>	<u>\$ 460,276</u>	<u>\$ 1,116,204</u>	<u>\$ 6,971,913</u>	<u>\$ 3,312,678</u>

See accompanying Notes to Consolidated Financial Statements.

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED MAY 31, 2025**  
(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,946,152	\$ 3,510,149
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	58,256	57,011
Amortization of Finance Lease	5,445	5,622
Noncash Lease Expense	(3,287)	(765)
Net Realized and Unrealized Gains on Investments	(975,373)	(757,057)
Contributions Restricted for Long-Term Investment	(1,507,501)	(402,175)
Beneficial Interest in Remainder Trust	-	(8,000)
Loss on Disposal of Fixed Asset	-	6,481
Effects of Changes in Operating Assets and Liabilities:		
Due from Intermediary	92,718	(22,637)
Contributions Receivable	(15,333)	17,845
Pledges Receivable	(125,366)	(4,626)
Interest Receivable	38,098	(13,708)
Prepaid Expenses and Other Assets	84,178	(352,455)
Accounts Payable	(18,141)	(62,163)
Accrued and Other Liabilities	8,061	46,431
Awards Payable	1,885,000	(1,600,000)
Deferred Membership Revenue	(151,538)	113,685
Deferred Convention Revenue	(755,717)	655,209
Deferred Other	(3,203)	3,203
Net Cash Provided by Operating Activities	562,449	1,192,050
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Office and Computer Equipment	(12,128)	(80,947)
Purchase of Investments	(34,575,764)	(17,735,051)
Dividend Reinvestments	(775,102)	(705,298)
Proceeds from Sale of Investments	33,528,458	16,868,936
Net Cash Used by Investing Activities	(1,834,536)	(1,652,360)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Finance Lease	(4,577)	(5,247)
Contributions Restricted for Investment in Endowment	1,507,501	402,175
Net Cash Provided by Financing Activities	1,502,924	396,928
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	230,837	(63,382)
Cash and Cash Equivalents - Beginning of Year	3,968,482	4,031,864
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 4,199,319	\$ 3,968,482

See accompanying Notes to Consolidated Financial Statements.

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MAY 31, 2025**  
(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Zonta International (Zonta) is a global, nonprofit organization of professionals building a better world for women and girls worldwide through service and advocacy. Zonta clubs and Zonta members work to expand access to education, healthcare, economic opportunities, and safe living conditions for women. Zonta is affiliated with the Zonta Foundation for Women, (referred to as the Foundation), which was formed in 1984 for charitable purposes to support the programs of Zonta. The Foundation raises and accepts contributions, ensures that funds are used according to donors' wishes and invests the Foundation's funds for maximum safe return.

Zonta International and Zonta Foundation for Women (the Organization) conduct their activities from offices in Oak Brook, Illinois. The Organization's fiscal year ends on May 31. Significant accounting policies followed by the Organization are presented below.

**Use of Estimates in Preparing Consolidated Financial Statements**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of Zonta and the Foundation. All significant intercompany transactions and balances have been eliminated in consolidation.

**Basis of Accounting**

Revenues and expenses are recorded on the accrual basis of accounting.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, cash in banks, and short-term highly liquid investments that are readily convertible into cash within 90 days of purchase. Short-term investments include money market accounts. For purposes of reporting cash flows, the Organization considers all highly liquid instruments with maturities of 90 days or less as of the date of purchase to be cash equivalents.

**Contributions and Pledges Receivable**

Contributions and pledges receivable are reported at fair value at the date the promise is made. Amounts that are expected to be collected after one year are discounted and reflected in the consolidated financial statements at their net present value. An allowance for uncollectible contributions is determined on specific identification. At May 31, 2025 and 2024, there was no allowance of uncollectible contributions. Additionally, the discount to present value as of May 31, 2025 and 2024, was \$2,334 and \$-0-, respectively.

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MAY 31, 2025**  
**(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions and Pledges Receivable (Continued)**

Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met. At May 31, 2025 and 2024, there was approximately \$0- and \$114,000, respectively of contributions not recognized in the accompanying consolidated financial statements because the conditions have not been met. Contributions of assets other than cash are recorded at their estimated fair value.

**Investments**

Investments are presented at fair market value. Publicly traded securities are valued at closing sale price, or in the absence of a recorded sale, at closing bid.

The Organization's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is at least reasonably possible that changes in the value of investments could occur in the near term and could materially affect the amounts reported in the consolidated statements of financial position.

**Beneficial Interest in Remainder Trust**

The Foundation is the beneficiary of a charitable remainder trust that is administered by a third-party and is subject to donor restrictions. See Note 11.

**Leases**

The Organization determines if an arrangement is a lease at inception. The Organization's operating and finance leases are included in right-of-use (ROU) lease asset and lease liability. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization'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 lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization 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 Organization 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 Organization 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.

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MAY 31, 2025**  
**(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Office Equipment and Computers**

Office equipment and computers are carried at cost and are depreciated on the straight-line method over their estimated useful lives of three to five years. The Organization's capitalization policy is to capitalize any items with cost in excess of \$1,000 deemed to have a useful life greater than one year.

**Impairment of Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Awards Payable**

Awards payable represent all unconditional grants and contributions that have been authorized prior to year-end, but remain unpaid as of the consolidated statement of financial position date. Conditional awards are expensed and considered payable in the period the conditions are substantially satisfied.

**Deferred Revenue and Prepaid Expenses**

Deferred membership revenue represents payments received from individual members and clubs for dues and fees to be recognized as revenue in the future over the membership period and as services are provided.

Zonta holds a biennial convention. Receipts and disbursements relating to future conventions are deferred and reflected in the consolidated statement of financial position as deferred revenue and prepaid expenses until the fiscal year in which the convention occurs.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MAY 31, 2025**  
(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions that are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

**Revenue Recognition**

The Organization derives its revenue primarily from membership dues and contributions. The following discloses the recognition for the Organization's most significant revenue streams:

**Membership Dues**

Membership dues are on an annual basis. Performance obligations provided to members include access to regular communications, member-only content on the website, industry advocacy, and discounts on fees for conferences, events, and publications.

Membership dues are recognized ratably over the periods to which the dues relate as the performance obligations to the member. Unearned membership revenue is reflected as deferred revenue on the consolidated statement of financial position.

**Contributions**

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions based on the existence or absence of any donor restrictions. All contributions are considered to be available without restriction unless specifically restricted by the donor. Donor-restricted contributions are reported as an increase in net assets with donor restrictions when made and are then released from restrictions when the funds are spent as stipulated by the donor. Upon satisfaction of the restriction, net assets are reclassified to net assets without donor restrictions. If the contribution is expected to be received more than one year in the future, the revenue and related receivable are discounted to its net present value using risk-free interest rates applicable to the years in which the promises are received.

**Convention Revenue**

Revenues derived from participant attendance at convention are recognized over time as the event is held. Payments to attend the event that are received in advance are deferred.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expenses**

The costs of providing various programs or other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management using an equitable basis. The expenses that are allocated include salaries, benefits, occupancy, and insurance expenses, which are allocated on the basis of management's estimate of time and effort.

**Foreign Currency Transaction**

The Organization engages in foreign transactions throughout the fiscal year primarily to pay foreign vendors in connection with the biennium convention. Foreign currency transaction gains (losses) result from exchange rate fluctuations on transactions denominated in a currency other than the U.S. dollar. These gains and losses on transaction are netted on the consolidated statement of activities.

**Tax-Exempt Status**

Zonta is classified under Section 501(c)(4) of the United States (U.S.) Internal Revenue Code (IRC) as a fraternal association and is exempt from U.S. federal and Illinois income taxes on income related to its purpose as a fraternal organization.

The Foundation is classified under Section 501(c)(3) of the IRC as a charitable organization and is exempt from U.S. federal and Illinois income taxes on income related to its charitable, scientific, and educational purposes. The Foundation is not a private foundation and contributions are tax deductible in the U.S. to the extent allowed by law.

The Organization follows the requirements for accounting for uncertain tax positions. The Organization has determined that they are not required to record a liability related to uncertain tax positions as of May 31, 2025 and 2024.

**Measure of Operations**

The Organization's change in net assets before nonoperating gains on the consolidated statements of activities includes all operating revenues and expenses that are an integral part of its program and supporting activities, net assets released from donor restrictions to support operating expenditures and other operating funds to support current operating activities. The measure of operations excludes interest income, depreciation and amortization, realized and unrealized gains and (losses) on investments, and foreign currency translation adjustments.

**Comparative Amounts**

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset category. Such information does not include sufficient detail to constitute a comparative presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended May 31, 2024, from which the summarized consolidated financial information was derived.

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**NOTE 2 LIQUIDITY**

The Organization regularly monitors liquidity required to meet operating needs and other contractual commitments while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities related to membership, service and advocacy as well as the conduct of services undertaken to support those activities to be general expenditures.

Zonta operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Zonta International Operating Reserve Policy provides guidelines for the maintenance and retention of financial reserves that are adequate to meet day to day operational requirements of Zonta and provide for unforeseen events and emergencies. The 12-Month Operating Reserve sets aside sufficient funding to enable ongoing operations of Zonta for at least 12 months.

Investment earnings are used to fund Foundation operations. The Foundation's spending policy limits foundation operating expenditures by maintaining a 4% long-term investment (program and operating funds) spending rate.

Each biennium, the Foundation collects contributions to cover program expenditures. The Zonta Foundation for Women Program Reserve Policy provides guidelines for use of and replenishment of financial reserves that are adequate to meet biennial funding requirements. All program contributions were used to support international service projects and education programs.

Endowment contributions donor-restricted, bequests, planned gifts and estate gifts naming the Foundation without a designation are maintained in an endowment fund to generate investment earnings to support endowment activities. In order to preserve the purchasing value of the investments the annual spending rate is 3% to 5%, as described in Note 10. The Board evaluates availability and needs to determine distributions and funds to be reinvested during the next biennium.

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**NOTE 2 LIQUIDITY (CONTINUED)**

The following financial assets could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures for the years ended May 31:

	2025			2024
	Zonta	Foundation	Total	Total
Financial Assets at Year-End				
Cash and Cash Equivalents	\$ 2,867,436	\$ 1,331,883	\$ 4,199,319	\$ 3,968,482
Investments	6,142,535	20,956,159	27,098,694	24,300,913
Due from Intermediary	-	-	-	92,718
Contribution Receivable	-	74,425	74,425	59,092
Interest Receivable	27,035	7,845	34,880	72,978
Pledges Receivable, Net	-	130,366	130,366	5,000
Beneficial Interest in				
Remainder Trust	-	86,000	86,000	86,000
Intercompany Balances	40,758	(40,758)	-	-
Total Financial Assets	<u>9,077,764</u>	<u>22,545,920</u>	<u>31,623,684</u>	<u>28,585,183</u>
Less Amounts Not Available to be Used Within One Year				
Restricted by Donor With				
Special Purpose Restriction	8,076	-	8,076	24,836
12-Month Operating Reserve	2,245,000	-	2,245,000	2,245,000
Pledge Receivable	-	12,566	12,566	-
Reserves Designated for Convention	757,442	-	757,442	717,577
Operating Long-Term Investments	-	4,241,087	4,241,087	4,253,408
Program Long-Term Investments	-	4,686,309	4,686,309	4,717,118
Endowments				
Beyond One Year	-	11,396,471	11,396,471	9,136,118
Total Financial Assets Not Available	<u>3,010,518</u>	<u>20,336,433</u>	<u>23,346,951</u>	<u>21,094,057</u>
Financial Assets Available to Meet General Expenditures	<u>\$ 6,067,246</u>	<u>\$ 2,209,487</u>	<u>\$ 8,276,733</u>	<u>\$ 7,491,126</u>

**NOTE 3 FAIR VALUE MEASUREMENTS**

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. The fair value measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

The levels within the hierarchy based on the reliability of inputs are defined as follows:

*Level 1* – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

*Level 2* – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets, and

*Level 3* – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable (entity specific estimates of cash flows). Since Zonta has an irrevocable right to receive the income earned from the trusts' assets, the fair value of Zonta's beneficial interest is estimated to approximate the fair value of the trusts' assets.

Fair values of assets measured on a recurring basis at May 31, 2025 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets				
Investments				
Equities	\$ 6,531,697	\$ 6,531,697	\$ -	\$ -
Mutual Funds	7,010,475	7,010,475	-	-
Exchange Traded Funds	9,863,481	9,863,481	-	-
Government Securities	1,515,021	-	1,515,021	-
Certificate of Deposits	1,707,667	-	1,707,667	-
Total Investments at Fair Value	<u>26,628,341</u>	<u>\$ 23,405,653</u>	<u>\$ 3,222,688</u>	<u>\$ -</u>
Investments not Recorded at Fair Value				
Money Market Fund	<u>470,353</u>			
Total Investments	<u>\$ 27,098,694</u>			
Beneficial Interest in Remainder Trust	<u>\$ 86,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,000</u>

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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

Fair values of assets measured on a recurring basis at May 31, 2024 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets				
Investments				
Equities	\$ 5,600,612	\$ 5,600,612	\$ -	\$ -
Mutual Funds	7,212,420	7,212,420	-	-
Exchange Traded Funds	7,170,341	7,170,341	-	-
Government Securities	621,369	-	621,369	-
Certificate of Deposits	3,112,341	-	3,112,341	-
Total Investments at Fair Value	<u>23,717,083</u>	<u>\$ 19,983,373</u>	<u>\$ 3,733,710</u>	<u>\$ -</u>
Investments Not Recorded at				
Fair Value				
Money Market Fund	<u>583,830</u>			
Total Investments	<u>\$ 24,300,913</u>			
Beneficial Interest in				
Remainder Trust	<u>\$ 86,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,000</u>

Fair value for Level 1 investments include securities listed on a national market or exchange and are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end.

Fair value of Level 2 investments are determined by reference to quoted market transactions in a less active market for assets similar to those held to support the underlying assets.

Fair value of Level 3 beneficial interest in remainder trust is determined by calculating the present value of future distributions expected to be received using published life expectancy tables. See Note 11. The carrying amounts of all other assets and liabilities reflected in the consolidated statement of financial position for the Organization's financial instruments approximates the respective fair values due to the short-term maturities of those instruments.

Assets measured at fair value on a recurring basis using significant unobservable units (Level 3):

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 86,000	\$ 78,000
Gain (Loss) on Beneficial Interest in Trust	-	8,000
Ending Balance	<u>\$ 86,000</u>	<u>\$ 86,000</u>

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**NOTE 4 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at May 31 consist of the following:

	2025		
	Zonta	Foundation	Total
Cash	\$ 1,968,285	\$ 985,311	\$ 2,953,596
Money Market Funds	899,151	346,572	1,245,723
Total	\$ 2,867,436	\$ 1,331,883	\$ 4,199,319
	2024		
	Zonta	Foundation	Total
Cash	\$ 2,320,823	\$ 746,960	\$ 3,067,783
Money Market Fund	576,110	324,589	900,699
Total	\$ 2,896,933	\$ 1,071,549	\$ 3,968,482

The Organization maintains cash balances and cash equivalents at Bank of America and Merrill Lynch. All accounts held at these financial institutions, with the exception of two, are located in the U.S. The Organization held cash balances of \$641,725 and \$887,997 at Bank of America in a Euro account in London, England, at May 31, 2025 and 2024, respectively. At times, the U.S. balances may exceed federally insured limits; however, the Organization has not experienced any losses in such accounts and limits its exposure to credit risk by maintaining its cash and cash equivalents in highly reputable financial institutions.

**NOTE 5 PLEDGES RECEIVABLE**

The following is a summary of the Organization's pledges receivable balance at May 31:

	2025	2024
Total Amounts Due in:		
One Year	\$ 117,800	\$ 5,000
Two to Five Years	14,800	-
Total	132,600	5,000
Less:		
Present Value Discount	(2,234)	-
Total Pledge Receivable	\$ 130,366	\$ 5,000

The discount rate used on long-term unconditional promises to give for the years ended May 31, 2025 and 2024, was an average of 3.95% and 0%, respectively.

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**NOTE 6 INVESTMENTS**

Investments held by the Organization consist of the following:

	May 31, 2025		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and Money Market Funds	\$ 470,353	\$ 470,353	\$ -
Equities	6,308,751	6,531,697	222,946
Mutual Funds	7,050,381	7,010,475	(39,906)
Exchange Traded Funds	9,365,121	9,863,481	498,360
Government Securities	1,496,677	1,515,021	18,344
Certificate of Deposits	1,700,582	1,707,667	7,085
Total	<u>\$ 26,391,865</u>	<u>\$ 27,098,694</u>	<u>\$ 706,829</u>

  

	May 31, 2024		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and Money Market Funds	\$ 583,830	\$ 583,830	\$ -
Equities	5,531,379	5,600,612	69,233
Mutual Funds	7,326,432	7,212,420	(114,012)
Exchange Traded Funds	7,184,455	7,170,341	(14,114)
Government Securities	614,832	621,369	6,537
Certificate of Deposits	3,093,068	3,112,341	19,273
Total	<u>\$ 24,333,996</u>	<u>\$ 24,300,913</u>	<u>\$ (33,083)</u>

Total investments are held at Charles Schwab Institutional and Merrill Lynch.

**NOTE 7 OFFICE EQUIPMENT AND COMPUTERS**

A summary of office equipment and computers, at cost, as of May 31 is as follows:

	2025	2024
Leasehold Improvements	\$ 47,114	\$ 47,114
Office Equipment	107,802	107,802
Computers	196,987	184,857
Total, at Cost	<u>351,903</u>	<u>339,773</u>
Less: Accumulated Depreciation	269,621	211,363
Office Equipment and Computers, Net	<u>\$ 82,282</u>	<u>\$ 128,410</u>

Depreciation expense on office equipment, computers, and leasehold improvements for the years ended May 31, 2025 and 2024 totaled \$58,256 and \$57,011, respectively.

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**NOTE 8 AWARDS PAYABLE**

Awards payable represent multi-year awards and scholarships that have been authorized prior to year-end but remain unpaid as of the consolidated statement of financial position date. Conditional awards are expensed and considered payable in the period the conditions are substantially satisfied. Awards payable as of May 31, 2025 and 2024 was \$1,885,000 and \$-0-, respectively. All grants and awards are expected to be paid out within the next fiscal year.

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of May 31, 2025 and 2024 are restricted for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Eva Mowbray	\$ 8,076	\$ 24,836
International Service Program	-	1,286,528
YWLA Program (Formerly YWPA Program)	367,408	419,178
Jane M. Klausman Women in Business Scholarship Program	-	15,940
Total	<u>375,484</u>	<u>1,746,482</u>
Endowments:		
Amounts to be Held in Perpetuity, the Income from Which is Expendable to Support:		
Endowment	6,842,884	5,621,427
Amelia Earhart Fellowship Endowment	911,905	625,861
Total	<u>7,754,789</u>	<u>6,247,288</u>
Subject to Endowment Spending Policy and Appropriation:		
Endowment	2,779,998	2,131,410
Amelia Earhart Fellowship Endowment	441,968	375,534
Total	<u>3,221,966</u>	<u>2,506,944</u>
Total Endowments	<u>10,976,755</u>	<u>8,754,232</u>
Total Net Assets With Donor Restrictions	<u>\$ 11,352,239</u>	<u>\$ 10,500,714</u>

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**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

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

	2025	2024
Eva Mowbray	\$ 16,760	\$ 20,000
International Service Program	2,362,456	-
YWLA Program (Formerly YWPA Program)	185,000	185,000
Jane M. Klausman Women in Business Scholarship Program	15,941	185,000
Amelia Earhart Fellowship Program	141,803	162,873
Amelia Earhart Endowment	24,000	20,000
Total Net Assets Released from Restrictions	\$ 2,745,960	\$ 572,873

**NOTE 10 ENDOWMENTS**

The Organization's endowments consist of donor-restricted endowment funds and board designated funds established to support its mission and a variety of scholarships and grants. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The board of the Organization follows the Uniform Prudent Management Institutional Funds Act (UPMIFA). UPMIFA requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity:

- The original value of gifts donated to the endowment, and
- The original value of subsequent gifts to the endowment.

The remaining portion of the endowment fund net assets with donor restriction not classified as perpetual are classified as expendable with donor restriction until those amounts are appropriated for expenditure by the Organization's board.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The investment policy of the Organization is guided by three basic objectives: safety, liquidity, and return on investment. The Organization supports the investment of funds in a variety of vehicles, including bank instruments, money market funds, equity funds, bond funds, and real estate funds. The Organization works with professional advisors on the investment portfolio.

**Spending Policy**

The Organization has a policy of appropriating for distribution each year 3% to 5% of the endowment fund's current market value, not to exceed accumulated investment income available for general use.

Notwithstanding this policy, no distribution shall be made from the general endowment fund that will cause the balance of the fund to be less than \$1,000,000. No distribution shall be made from the Amelia Earhart Fellowship Endowment Fund that will cause the balance of the fund to be less than \$500,000. Effective August 2021, the spending policy was modified to allow distribution from the funds as long as the balance is at least 120% of the original corpus.

In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gift.

**Strategies Employed for Achieving Objectives**

The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual endowment funds with donor restrictions may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of May 31, 2025 and 2024.

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Endowment Composition**

Endowment net asset composition by type of fund as of May 31 is as follows:

	<u>2025</u>	<u>2024</u>
Donor-Restricted Endowment Funds:		
Original Donor-Restricted Gift Amount and Amounts		
Required to be Maintained in Perpetuity by Donor	\$ 7,754,789	\$ 6,247,288
Accumulated Investment Gains	3,221,966	2,506,944
Without Donor-Restricted Endowment Funds:		
Board Designated Endowment	443,716	406,071
Total	<u>\$ 11,420,471</u>	<u>\$ 9,160,303</u>

Changes in endowment net assets for the fiscal years ended May 31 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance - May 31, 2023	\$ 349,818	\$ 7,678,124	\$ 8,027,942
Investment Return:			
Investment Income, Net	-	272,144	272,144
Net Appreciation	9,897	421,789	431,686
Distribution for Grants	-	(20,000)	(20,000)
Total	<u>9,897</u>	<u>673,933</u>	<u>683,830</u>
Contributions	<u>46,356</u>	<u>402,175</u>	<u>448,531</u>
Balance - May 31, 2024	406,071	8,754,232	9,160,303
Investment Return:			
Investment Income, Net	-	319,636	319,636
Net Appreciation	36,174	419,386	455,560
Distribution for Grants	-	(24,000)	(24,000)
Total	<u>36,174</u>	<u>715,022</u>	<u>751,196</u>
Contributions	<u>1,471</u>	<u>1,507,501</u>	<u>1,508,972</u>
Balance - May 31, 2025	<u>\$ 443,716</u>	<u>\$ 10,976,755</u>	<u>\$ 11,420,471</u>

**NOTE 11 BENEFICIAL INTEREST IN REMAINDER TRUST**

The Organization has a beneficial interest in a remainder trust (the trust). Under the terms of the trust, distributions are made from the trust to designated beneficiaries for the remainder of the life of the last remaining beneficiary. Upon the death of the last remaining beneficiary, 20% of the remainder of the assets in the trust will be transferred to the Organization. All of the assets of the trust are administered and held in the custody of Wells Fargo.

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**NOTE 11 BENEFICIAL INTEREST IN REMAINDER TRUST (CONTINUED)**

The Organization has valued its interest in the trust using 20% of the fair value of the trust assets and a factor of 5.7% to calculate the trust's present value. As of May 31, 2025, and 2024, the value of the Organization's interest in the remainder trust was \$86,000 and is reported on the consolidated statement of financial position. The change in value of the beneficial interest in remainder trust is included in the change in net assets with donor restrictions in the consolidated statement of activities.

**NOTE 12 REVENUE**

The following table shows the Organization's revenue disaggregated according to the timing of transfer of goods or services:

	<u>2025</u>	<u>2024</u>
Recognized Over Time:		
Membership Dues and Fees	\$ 2,172,720	\$ 2,198,097
Z-Club Dues and Fees	8,105	8,683
U.S. and Canadian Liability Premiums	17,496	18,126
Zontian Subscription	9	9
Convention Events and Programs	880,071	4,016
Merchandise Royalties	9,820	6,016
Other Income	-	2,412
Total	<u>3,088,221</u>	<u>2,237,359</u>
Revenue Subject to Grants and Contributions Guidance	<u>4,011,956</u>	<u>3,017,634</u>
Total	<u>\$ 7,100,177</u>	<u>\$ 5,254,993</u>

Accounts receivable at May 31 consists of the following:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Due from Intermediary	\$ -	\$ 92,718	\$ 70,081
Contributions Receivable	74,425	59,092	76,939
Pledges Receivable	130,366	5,000	374
Interest Receivable	34,880	72,978	59,270
Total Receivables	<u>\$ 239,671</u>	<u>\$ 229,788</u>	<u>\$ 206,664</u>

Deferred revenue at May 31 consists of the following:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Membership	\$ 1,429,496	\$ 1,581,034	\$ 1,467,349
Convention	-	755,717	100,508
Other	-	3,203	-
Total Deferred Revenue	<u>\$ 1,429,496</u>	<u>\$ 2,339,954</u>	<u>\$ 1,567,857</u>

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**NOTE 13 LEASE COMMITMENTS**

The Organization entered into a lease agreement for office space effective July 1, 2019, and is set to expire on January 31, 2027. The Organization is responsible for its share of operating expenses and real estate taxes.

The Organization leases various office equipment and storage space for various terms under long-term, noncancelable lease arrangements. The leases expire at various dates through 2027.

The following tables provide quantitative information concerning the Organization's leases for the years ended May 31:

	<u>2025</u>	<u>2024</u>
Lease Costs:		
Finance Lease Costs:		
Amortization of Right-of-Use Assets	\$ 5,445	\$ 5,622
Interest on Lease Liabilities	391	244
Operating Lease Costs	<u>99,941</u>	<u>99,941</u>
Total Lease Costs	<u>\$ 105,777</u>	<u>\$ 105,807</u>
Other Information:		
Operating Cash Flows from Finance Lease	\$ 391	\$ 244
Operating Cash Flows from Operating Leases	\$ 102,359	\$ 100,332
Financing Cash Flows from Finance Lease	\$ 4,577	\$ 5,247
Right-of-Use Assets Obtained in Exchange for New		
Finance Lease Liability	\$ -	\$ 14,065
Weighted-Average Remaining Lease Term -		
Finance Lease	1.5 Years	2.5 Years
Weighted-Average Remaining Lease Term -		
Operating Leases	1.7 Years	2.6 Years
Weighted-Average Discount Rate - Finance Lease	4.02%	4.02%
Weighted-Average Discount Rate - Operating Leases	2.92%	2.92%

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

<u>Year Ending May 31,</u>	<u>Operating</u>	<u>Financing</u>
2026	\$ 102,501	\$ 4,968
2027	75,111	2,898
Undiscounted Cash Flows	<u>177,612</u>	<u>7,866</u>
Less: Imputed Interest	(4,271)	(260)
Total Present Value	<u>\$ 173,341</u>	<u>\$ 7,606</u>
Short-Term Lease Liabilities	\$ 98,913	\$ 4,765
Long-Term Lease Liabilities	74,428	2,841
Total	<u>\$ 173,341</u>	<u>\$ 7,606</u>

**ZONTA INTERNATIONAL AND AFFILIATED FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MAY 31, 2025**  
**(WITH COMPARATIVE TOTALS FOR MAY 31, 2024)**

**NOTE 14 401(K) PLAN**

The Organization maintains a defined contribution plan and a 401(k) with a money purchase provision for its eligible employees. Each year, the Organization contributes 5% of eligible wages. The Organization contributed approximately \$37,628 and \$39,410 for the years ended May 31, 2025 and 2024, respectively.

**NOTE 15 CONCENTRATIONS**

Zonta relies on dues as its primary source of revenue, excluding convention activities. Dues revenue, which included membership dues and charter and new member fees, represented approximately 91% and 93% of the total operational revenues, excluding Foundation activities, for the years ended May 31, 2025 and 2024, respectively.

The Foundation receives a substantial amount of its revenues from individual donors. During 2025, the Organization received \$1,025,000 from one donor, which is approximately 14% of total revenue and support as of May 31, 2025. No such individual donor concentrated existed in 2024.

**NOTE 16 CASH FLOW DISCLOSURES**

There was no cash paid for interest or taxes for the years ended May 31, 2025 and 2024. There were no noncash investing and financing transactions for the year ended May 31, 2025. As of May 31, 2024, there were no investment transactions and one financing transaction for the right of use asset obtained in exchange for new finance lease liability for \$14,065.

**NOTE 17 SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

The Organization has entered into various contracts and agreements as of May 31, 2025, relating to future conventions, including various service contracts, rental agreements for convention sites, and arrangements for hotel attendees.

**NOTE 18 SUBSEQUENT EVENTS**

The Organization evaluated all significant events and transactions through November 4, 2025, the date that the consolidated financial statements were available to be issued.

**ZONTA INTERNATIONAL**  
**STATEMENT OF FINANCIAL POSITION**  
**MAY 31, 2025**  
(SEE INDEPENDENT AUDITORS' REPORT)

**ASSETS**

Cash and Cash Equivalents	\$	2,867,436
Other Receivables		
Due from Zonta Foundation for Women		40,758
Interest Receivable		27,035
Prepaid Expenses		
Convention		191,092
Other		208,745
Investments		6,142,535
Right-of-Use Operating Lease Asset		157,879
Right-of-Use Financing Lease Asset		7,606
Office Equipment and Computers, Net		82,282
Other Assets		7,932
		7,932
Total Assets	\$	9,733,300

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$	8,344
Accrued and Other Liabilities		133,443
Deferred Membership Revenue		1,429,496
Operating Lease Liability		173,341
Financing Lease Liability		7,606
Total Liabilities		1,752,230

**NET ASSETS**

Without Donor Restrictions		
Undesignated		4,970,552
Designated by the Board for Convention		757,442
Designated by Board 12-Month Operating Reserve		2,245,000
Total Without Donor Restrictions		7,972,994
With Donor Restrictions		8,076
Total Net Assets		7,981,070
Total Liabilities and Net Assets	\$	9,733,300

**ZONTA INTERNATIONAL  
STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2025  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions			With Donor Restrictions		
	Undesignated	Designated by		Total Without Donor Restrictions	Eva Mowbray	Total
		Designated by the Board for Convention	Board 12-Month Operating Reserve			
<b>REVENUE AND SUPPORT</b>						
Membership Dues and Fees	\$ 2,172,720	\$ -	\$ -	\$ 2,172,720	\$ -	\$ 2,172,720
Z-Club Dues and Fees	8,105	-	-	8,105	-	8,105
U.S. and Canadian Liability Premiums	17,496	-	-	17,496	-	17,496
Convention Events and Programs	840,206	39,865	-	880,071	-	880,071
Merchandise Royalties	9,820	-	-	9,820	-	9,820
In-kind Contributions	5,180	-	-	5,180	-	5,180
Zontian Subscription	9	-	-	9	-	9
Management Fee	171,691	-	-	171,691	-	171,691
Net Assets Released from Restriction	16,760	-	-	16,760	(16,760)	-
<b>Total Revenue and Support</b>	<b>3,241,987</b>	<b>39,865</b>	<b>-</b>	<b>3,281,852</b>	<b>(16,760)</b>	<b>3,265,092</b>
<b>EXPENSES</b>						
Program Services						
Member Services	1,308,897	-	-	1,308,897	-	1,308,897
Convention	639,961	-	-	639,961	-	639,961
<b>Total Program Services</b>	<b>1,948,858</b>	<b>-</b>	<b>-</b>	<b>1,948,858</b>	<b>-</b>	<b>1,948,858</b>
Supporting Services						
Management and General	592,653	-	-	592,653	-	592,653
<b>Total Expenses</b>	<b>2,541,511</b>	<b>-</b>	<b>-</b>	<b>2,541,511</b>	<b>-</b>	<b>2,541,511</b>
<b>CHANGE IN NET ASSETS BEFORE NONOPERATING GAINS (LOSSES) AND TRANSFERS</b>	<b>700,476</b>	<b>39,865</b>	<b>-</b>	<b>740,341</b>	<b>(16,760)</b>	<b>723,581</b>
<b>NONOPERATING GAINS (LOSSES) AND TRANSFERS</b>						
Interest Income	269,480	-	-	269,480	-	269,480
Depreciation	(58,256)	-	-	(58,256)	-	(58,256)
Realized and Unrealized Gains, Net	163,287	-	-	163,287	-	163,287
Foreign Currency Transaction Loss, Net	(14,740)	-	-	(14,740)	-	(14,740)
<b>Total Nonoperating Gains and Transfers</b>	<b>359,771</b>	<b>-</b>	<b>-</b>	<b>359,771</b>	<b>-</b>	<b>359,771</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,060,247</b>	<b>39,865</b>	<b>-</b>	<b>1,100,112</b>	<b>(16,760)</b>	<b>1,083,352</b>
Net Assets - Beginning of Year	3,910,305	717,577	2,245,000	6,872,882	24,836	6,897,718
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,970,552</b>	<b>\$ 757,442</b>	<b>\$ 2,245,000</b>	<b>\$ 7,972,994</b>	<b>\$ 8,076</b>	<b>\$ 7,981,070</b>

**ZONTA INTERNATIONAL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2025**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Supporting Services	Total Expenses
	Member Services	Convention	Total	Management and General	
Salaries and Wages	\$ 706,985	\$ -	\$ 706,985	\$ 199,406	\$ 906,391
Employee Benefits	99,704	-	99,704	28,122	127,826
Payroll Taxes	51,847	-	51,847	14,623	66,470
Fees for Services					
Legal	-	-	-	12,762	12,762
Accounting	-	-	-	112,189	112,189
Other	58,582	-	58,582	-	58,582
Office Expenses	80,405	-	80,405	36,113	116,518
Information Technology	29,553	-	29,553	9,851	39,404
Occupancy	109,737	-	109,737	36,579	146,316
Travel	10,999	-	10,999	-	10,999
Conferences and Meetings	19,192	-	19,192	-	19,192
Convention - 2024	-	622,319	622,319	-	622,319
Convention - 2026	-	13,226	13,226	-	13,226
Convention - 2028	-	4,416	4,416	-	4,416
Depreciation and Amortization	43,692	-	43,692	14,564	58,256
Insurance	-	-	-	70,572	70,572
Eva Mowbray	-	-	-	-	-
Board/International Committees	-	-	-	61,737	61,737
International Leadership Convention	59,372	-	59,372	-	59,372
Zontian Magazine	74,080	-	74,080	-	74,080
Miscellaneous Expenses	8,441	-	8,441	10,699	19,140
Total Expenses	<u>1,352,589</u>	<u>639,961</u>	<u>1,992,550</u>	<u>607,217</u>	<u>2,599,767</u>
Less Expenses Included in Nonoperating Gains (Losses) on the Statement of Activities					
Depreciation	<u>(43,692)</u>	<u>-</u>	<u>(43,692)</u>	<u>(14,564)</u>	<u>(58,256)</u>
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 1,308,897</u>	<u>\$ 639,961</u>	<u>\$ 1,948,858</u>	<u>\$ 592,653</u>	<u>\$ 2,541,511</u>

**ZONTA FOUNDATION FOR WOMEN  
STATEMENT OF FINANCIAL POSITION  
MAY 31, 2025  
(SEE INDEPENDENT AUDITORS' REPORT)**

**ASSETS**

Cash and Cash Equivalents	\$	1,331,883
Receivables		
Interest Receivable		7,845
Contributions Receivable		74,425
Pledges Receivable		130,366
Prepaid Expenses		
Other		55,507
Beneficial Interest in Remainder Trust		86,000
Investments		<u>20,956,159</u>
Total Assets	\$	<u><u>22,642,185</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$	328
Accrued and Other Liabilities		824
Deferred Revenue		-
Awards Payable		1,885,000
Due to Zonta International		<u>40,758</u>
Total Liabilities		<u>1,926,910</u>

**NET ASSETS**

Without Donor Restrictions		
Undesignated		4,241,087
Designated by the Board for Foundation Programs		4,686,309
Designated by the Board for Endowment Fund		<u>443,716</u>
Total Without Donor Restrictions		9,371,112
With Donor Restrictions		<u>11,344,163</u>
Total Net Assets		<u>20,715,275</u>
Total Liabilities and Net Assets	\$	<u><u>22,642,185</u></u>

**ZONTA FOUNDATION FOR WOMEN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MAY 31, 2025**  
(SEE INDEPENDENT AUDITORS' REPORT)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Program Contributions	\$ 996,461	\$ 1,350,962	\$ 2,347,423
Royalty Revenue	150,381	-	150,381
Endowment Contributions	1,471	1,507,501	1,508,972
Net Assets Released from Restriction	<u>2,729,200</u>	<u>(2,729,200)</u>	<u>-</u>
Total Revenue and Support	3,877,513	129,263	4,006,776
<b>EXPENSES</b>			
Program Services			
International Service and Education Programs	3,906,851	-	3,906,851
Supporting Services			
Management and General	234,966	-	234,966
Fundraising	<u>460,276</u>	<u>-</u>	<u>460,276</u>
Total Supporting Services	<u>695,242</u>	<u>-</u>	<u>695,242</u>
Total Expenses	<u>4,602,093</u>	<u>-</u>	<u>4,602,093</u>
<b>CHANGE IN NET ASSETS BEFORE NONOPERATING GAINS (LOSSES)</b>	(724,580)	129,263	(595,317)
<b>NONOPERATING GAINS</b>			
Interest Income	334,972	319,636	654,608
Realized and Unrealized Gains, Net	392,700	419,386	812,086
Foreign Currency Translation	<u>(8,577)</u>	<u>-</u>	<u>(8,577)</u>
Total Nonoperating Gains	<u>719,095</u>	<u>739,022</u>	<u>1,458,117</u>
<b>CHANGE IN NET ASSETS</b>	(5,485)	868,285	862,800
Net Assets - Beginning of Year	<u>9,376,597</u>	<u>10,475,878</u>	<u>19,852,475</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 9,371,112</u></u>	<u><u>\$ 11,344,163</u></u>	<u><u>\$ 20,715,275</u></u>

**ZONTA FOUNDATION FOR WOMEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2025**  
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services	Supporting Services			Total Expenses
	International Service and Education Programs	Management and General	Fundraising	Total Supporting Services	
Bank and Transaction Fees	\$ -	\$ 51,694	\$ -	\$ 51,694	\$ 51,694
Communications	-	-	11,041	11,041	11,041
Donor Recognition	-	-	39,346	39,346	39,346
Grants	3,906,851	-	-	-	3,906,851
Database	-	-	45,259	45,259	45,259
Licensing Fees	-	8,755	-	8,755	8,755
Management Fees	-	171,691	-	171,691	171,691
Supplies	-	51	16,063	16,114	16,114
Miscellaneous Expenses	-	2,475	-	2,475	2,475
Salaries	-	300	222,517	222,817	222,817
Consulting	-	-	126,050	126,050	126,050
<b>Total Expenses</b>	<b><u>\$ 3,906,851</u></b>	<b><u>\$ 234,966</u></b>	<b><u>\$ 460,276</u></b>	<b><u>\$ 695,242</u></b>	<b><u>\$ 4,602,093</u></b>



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