

Women's Sports Foundation

Independent Auditor's Report and Financial Statements

December 31, 2019 and 2018



Women's Sports Foundation

December 31, 2019 and 2018

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Independent Auditor's Report

Board of Trustees
Women's Sports Foundation
New York, New York

We have audited the accompanying financial statements of Women's Sports Foundation, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Sports Foundation as of December 31, 2019 and 2018, 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.

BKD, LLP

New York, New York
July 7, 2020

Women's Sports Foundation
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 787,115	\$ 1,430,885
Investments	2,922,340	2,469,412
Contributions receivable	2,061,949	1,892,945
Prepaid expenses and other assets	113,705	128,692
Property and equipment, net	548,704	201,380
Total assets	\$ 6,433,813	\$ 6,123,314
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 276,071	\$ 213,241
Grants payable	381,782	190,115
Deferred revenue	38,250	26,283
Deferred rent	43,762	33,161
Total liabilities	739,865	462,800
 Net Assets		
Without donor restrictions	1,671,532	1,980,324
With donor restrictions	4,022,416	3,680,190
Total net assets	5,693,948	5,660,514
Total liabilities and net assets	\$ 6,433,813	\$ 6,123,314

Women's Sports Foundation
Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions and grants	\$ 1,693,762	\$ 2,150,581	\$ 3,844,343
Contributions in-kind	78,227	-	78,227
Special event benefit, net of direct cost of \$404,877	1,381,891	-	1,381,891
Investment income, net	216,157	128,218	344,375
Speakers fee	500	-	500
Miscellaneous income	574	-	574
Net assets released from restrictions	1,936,573	(1,936,573)	-
	<u>5,307,684</u>	<u>342,226</u>	<u>5,649,910</u>
Total revenues and other support			
Expenses			
Program services			
Community impact	2,663,483	-	2,663,483
Advocacy	866,619	-	866,619
Research	721,240	-	721,240
	<u>4,251,342</u>	<u>-</u>	<u>4,251,342</u>
Total program services			
Supporting services			
Management and general	545,110	-	545,110
Fundraising	820,024	-	820,024
	<u>1,365,134</u>	<u>-</u>	<u>1,365,134</u>
Total supporting services			
Total expenses	<u>5,616,476</u>	<u>-</u>	<u>5,616,476</u>
Change in Net Assets	(308,792)	342,226	33,434
Net Assets, Beginning of Year	<u>1,980,324</u>	<u>3,680,190</u>	<u>5,660,514</u>
Net Assets, End of Year	<u>\$ 1,671,532</u>	<u>\$ 4,022,416</u>	<u>\$ 5,693,948</u>

Women's Sports Foundation

Statement of Activities

Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions and grants	\$ 658,978	\$ 1,159,896	\$ 1,818,874
Contributions in-kind	222,905	-	222,905
Special event benefit, net of direct cost of \$375,023	1,527,597	-	1,527,597
Investment loss, net	(71,300)	(32,676)	(103,976)
Speakers fee	264,500	-	264,500
Miscellaneous income	1,055	-	1,055
Net assets released from restrictions	1,638,015	(1,638,015)	-
Total revenues and other support	4,241,750	(510,795)	3,730,955
Expenses			
Program services			
Community impact	2,402,113	-	2,402,113
Advocacy	517,735	-	517,735
Research	512,420	-	512,420
Total program services	3,432,268	-	3,432,268
Supporting services			
Management and general	569,793	-	569,793
Fundraising	589,631	-	589,631
Total supporting services	1,159,424	-	1,159,424
Total expenses	4,591,692	-	4,591,692
Change in Net Assets	(349,942)	(510,795)	(860,737)
Net Assets, Beginning of Year	2,330,266	4,190,985	6,521,251
Net Assets, End of Year	\$ 1,980,324	\$ 3,680,190	\$ 5,660,514

Women's Sports Foundation
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services				Supporting Services			
	Community Impact	Advocacy	Research	Total	Management and General	Fundraising	Direct Costs of Special Events	Total
Salaries	\$ 890,070	\$ 273,425	\$ 203,831	\$ 1,367,326	\$ 163,143	\$ 358,610	\$ -	\$ 1,889,079
Payroll taxes and employee benefits	163,136	41,398	37,359	241,893	29,902	65,728	-	337,523
Occupancy	123,709	31,362	28,302	183,373	22,652	49,792	-	255,817
Professional fees	251,103	92,707	271,539	615,349	262,128	269,951	-	1,147,428
Donated services	65,311	3,066	2,767	71,144	2,215	4,868	-	78,227
Production and printing	29,617	8,056	6,746	44,419	4,353	9,568	-	58,340
Communication and media	14,973	10,690	4,156	29,819	29,366	2,903	-	62,088
Grant expense	783,901	318,922	130,819	1,233,642	5,022	49	-	1,238,713
Insurance	14,066	3,569	3,221	20,856	2,578	5,667	-	29,101
Office supplies	9,375	2,107	1,704	13,186	1,364	2,998	-	17,548
Meeting and conferences	1,414	306	190	1,910	152	1,013	-	3,075
Travel and transportation	241,530	61,855	13,946	317,331	8,916	19,599	-	345,846
Venue rental and event productions	-	-	-	-	-	-	404,877	404,877
Telephone	17,056	4,283	3,865	25,204	3,093	6,799	-	35,096
Expensed equipment	4,339	1,488	1,012	6,839	795	1,748	-	9,382
Bad debt	2,085	529	477	3,091	382	840	-	4,313
Miscellaneous	8,633	1,902	1,421	11,956	1,137	2,500	-	15,593
Depreciation and amortization	43,165	10,954	9,885	64,004	7,912	17,391	-	89,307
Total expenses	2,663,483	866,619	721,240	4,251,342	545,110	820,024	404,877	6,021,353
Less expenses deducted directly from revenues								
Direct cost of special events	-	-	-	-	-	-	(404,877)	(404,877)
Total expenses reported by function on the statements of activities	\$ 2,663,483	\$ 866,619	\$ 721,240	\$ 4,251,342	\$ 545,110	\$ 820,024	\$ -	\$ 5,616,476

Women's Sports Foundation
Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services				Supporting Services			Total
	Community Impact	Advocacy	Research	Total	Management and General	Fundraising	Direct Costs of Special Events	
Salaries	\$ 702,182	\$ 243,897	\$ 194,040	\$ 1,140,119	\$ 185,177	\$ 249,500	\$ -	\$ 1,574,796
Payroll taxes and employee benefits	120,921	41,127	32,484	194,532	31,924	42,809	-	269,265
Occupancy	92,980	31,624	24,978	149,582	24,548	32,918	-	207,048
Professional fees	350,296	90,588	214,735	655,619	246,146	132,655	-	1,034,420
Donated services	103,410	26,554	3,717	133,681	13,515	75,709	-	222,905
Production and printing	52,225	7,567	6,614	66,406	2,841	4,551	-	73,798
Communication and media	14,126	9,420	3,991	27,537	37,745	3,236	-	68,518
Grant expense	687,000	-	-	687,000	750	-	-	687,750
Insurance	11,985	4,076	3,219	19,280	3,164	4,243	-	26,687
Office supplies	18,548	4,307	2,695	25,550	1,629	2,393	-	29,572
Meeting and conferences	31,010	10,933	2,941	44,884	2,556	3,499	-	50,939
Travel and transportation	162,610	29,661	9,607	201,878	6,085	8,416	-	216,379
Venue rental and event productions	-	-	-	-	-	-	375,023	375,023
Telephone	16,211	5,292	4,301	25,804	3,907	5,245	-	34,956
Expensed equipment	2,550	1,131	989	4,670	594	878	-	6,142
Bad debt	-	-	-	-	1,578	-	-	1,578
Miscellaneous	25,849	8,489	5,797	40,135	4,922	20,037	-	65,094
Depreciation and amortization	10,210	3,069	2,312	15,591	2,712	3,542	-	21,845
Total expenses	2,402,113	517,735	512,420	3,432,268	569,793	589,631	375,023	4,966,715
Less expenses deducted directly from revenues								
Direct cost of special events	-	-	-	-	-	-	(375,023)	(375,023)
Total expenses reported by function on the statements of activities	\$ 2,402,113	\$ 517,735	\$ 512,420	\$ 3,432,268	\$ 569,793	\$ 589,631	\$ -	\$ 4,591,692

Women's Sports Foundation
Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ 33,434	\$ (860,737)
Items not requiring (providing) cash		
Depreciation and amortization	89,307	21,845
Bad debt expense	4,313	1,578
Net realized and unrealized loss (gain) on investments	(282,895)	170,231
Donated investments	-	(57,182)
Changes in		
Contributions receivable	(173,317)	353,950
Prepaid expenses and other assets	14,987	(22,529)
Accounts payable and accrued expenses	62,830	161,428
Grants payable	191,667	(50,000)
Deferred revenue	11,967	26,283
Deferred rent	10,601	4,720
Net cash used in operating activities	(37,106)	(250,413)
Investing Activities		
Purchases of investments	(518,479)	(164,695)
Proceeds from sales of investments	348,446	98,808
Purchase of property and equipment	(436,631)	(154,800)
Net cash used in investing activities	(606,664)	(220,687)
Net Decrease in Cash and Cash Equivalents	(643,770)	(471,100)
Cash and Cash Equivalents, Beginning of Year	1,430,885	1,901,985
Cash and Cash Equivalents, End of Year	\$ 787,115	\$ 1,430,885

Women's Sports Foundation

Notes to Financial Statements

December 31, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Women's Sports Foundation (the Foundation) exists to enable girls and women to reach their potential in sport and life. We are an ally, an advocate and a catalyst. Founded by Billie Jean King in 1974, we strengthen and expand participation and leadership opportunities through research, advocacy, community programming and a wide variety of collaborative partnerships. The Foundation has positively shaped the lives of millions of youth, high school and collegiate student-athletes, elite athletes and coaches. We're building a future where every girl and woman can #KeepPlaying and unlock the lifelong benefits of sport participation. All girls. All women. All sports. To learn more about the Foundation, please visit www.WomensSportsFoundation.org.

Over the past 45 years, the Foundation has produced 48 research studies, provided more than \$80 million in cash and curriculum grants to organizations nationally and served more than 1.8 million girls nationwide. The Foundation is funded primarily by contributions, grants and special events.

The following is a summary of programs provided by the Foundation:

Community Impact: Create the Change

Engagement and retention of girls in sport is a top priority. This is particularly critical because girls drop out of sport during adolescence at twice the rate of boys. Moreover, in communities where there are multiple barriers to participation (*i.e.*, limited resources, transportation and financial obstacles, cultural and language barriers, among others), girls are far less likely to play. The Foundation provide tools and technical assistance to support coaches, parents, administrators and community leaders to strengthen recruitment, engagement and quality of programming for girls.

The centerpiece of our community impact work is the Foundation's Sports 4 Life program that helps increase participation and retention of African-American and Hispanic girls, ages 11-18, in developmental youth sports programs. To date, the Foundation has awarded more than \$1,100,000 in grants to 130+ community-based organizations around the country, touching the lives of over 50,000 girls. The Foundation's award-winning curriculum, "GoGirlGo!" continues to serve as a primary education tool to improve the health of sedentary girls and keep girls involved in physical activity. To date, the curriculum has reached over one million girls and the usage continues to expand. The Foundation is proud to participate in a new partnership with First Book, a leading not-for-profit working to achieve educational equality through books and literacy resources for underserved youth. The Foundation's Travel & Training Fund is a national program that provides accomplished female athletes with funding to reduce financial obstacles and put training and competitive goals within reach. Since 1984, the Foundation awarded grants to more than 1,300 athletes. The Foundation's Athlete Ambassador Program engages elite athletes as role models for the girls we serve. The ambassadors attend the Foundation's national events or are paired with the Foundation's community partners in their local communities to share inspiring personal stories, offer clinics focused on health, leadership and responsibility and provide motivation for girls to see themselves as athletes, regardless of their level of play. The Foundation's Athlete Leadership Connection is designed by athletes for athletes and uses leadership development and career training as a springboard for success off the field of play.

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Advocacy: Shape the Future

The Foundation has been serving as the collective voice for girls and women since its inception. Protecting Title IX, promoting gender equity and empowering others to take action is the cornerstone of the Foundation's work. In partnership with others, the Foundation works throughout the year to advocate at the national, state and grassroots levels for gender equality focusing on developmental youth and high school sports as well as collegiate and elite athletics. The Foundation is particularly dedicated to the needs of underserved girls, including girls of color, those with disabilities, members of the LGBTQ community and girls living in low socioeconomic communities with limited resources. The Foundation's advocacy efforts include promoting leadership opportunities for women and addressing gender bias and discrimination in all areas of sport through public policy, coalition building, improved access, opportunity and public education.

We advocate for equal access to sports through enforcement of Title IX and other policies shaping legislation and opportunity in schools and communities. At the grassroots level, we educate the public about policies and tactics to attain gender equity in sports and empower them to take action. At the national level, the Foundation is viewed as the authority on gender equity through sports while ensuring intersectional voices are amplified. We promote increased presence and visibility of female role models in women's sports. The Foundation continues championing various advocacy initiatives through its Sports Advocacy Network, comprised of advocacy experts at all levels. As a founder of the National Girls and Women in Sports Day, the Foundation celebrates the extraordinary achievements of women in sports every February on Capitol Hill and in all 50 states with more than 400 local grassroots events. In 2018, the Foundation established Tara VanDerveer Fund for the Advancement of Women in Coaching and Scott Pioli & Family Fund for Women Football Coaches and Scouts providing mentorship and support for aspiring female coaches.

Research: Understand the Facts

Research serves as a springboard for all of our work. The Foundation has maintained a comprehensive agenda of signature research projects for more than 30 years. Our evidence-based public interest research on girls and women in sports and physical activity anchors all of our policy outreach and fuels our initiatives. It fosters public discourse on the vital importance of sport participation to the health and well-being of girls, diversity and inclusiveness in sport, and leadership opportunities for women. Data combined with experiences on the ground help to identify best practices and inform our programming. The Foundation conducts rigorous evaluation to assess impact against clearly defined benchmarks.

Recently conducted research includes: Teen Sport in America, examining the outcomes of sport participation on teen's health, academic and psychological well-being; Women in the 2018 Olympic and Paralympic Games, focusing on the trends in participation, leadership opportunities and media coverage for women; and Beyond X's and O's, revealing gender disparities within collegiate coaching. The Foundation's latest research initiative, Coaching Through a Gender Lens: Maximizing Girls' Play and Potential, examines the intersection between girl's development and sport experience with coaching strategies and practice.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2019 and 2018

Use of Estimates

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

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2019 and 2018, cash equivalents consisted primarily of money market accounts with brokers.

Uninvested cash and cash equivalents included in investment accounts, including endowment accounts and assets limited as to use, are not considered to be cash and cash equivalents.

At December 31, 2019, the Foundation's cash accounts exceeded federally insured limits by approximately \$586,000.

Investments and Net Investment Return

The Foundation measures securities at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

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Notes to Financial Statements

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Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Items with a cost of \$1,000 or greater and an estimated useful life of one year or greater are capitalized. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

Equipment	3-7 years
Furniture and fixtures	7 years
Leasehold improvements	4 1/2 years
Website	3 years

Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2019 and 2018.

Deferred Revenue

Revenue from fees for future special events is deferred and recognized over the periods to which the fees relate.

Grants Payable

Grants payable are recorded as a liability and related expense when the Board of Trustees approves the grant.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor- or certain grantor- 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 are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Women's Sports Foundation

Notes to Financial Statements

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Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

In-Kind Contributions

In addition to receiving cash contributions, the Foundation receives in-kind contributions of services and merchandise from various donors. It is the policy of the Foundation to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended December 31, 2019 and 2018, \$78,227 and \$222,905, respectively, was received in in-kind contributions.

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Special Events

The Foundation conducts special events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by the participants at the events. All proceeds received are recorded as special events revenues in the accompanying statements of activities.

Rent Expense

Operating lease expense has been recorded on the straight-line basis over the life of the lease. Deferred rent is recorded for the difference between the fixed payment and the rent expense.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

The Foundation files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fund raising categories based on the direct allocation of the costs incurred for the programs or support services, and allocation of the salaries of each employee based on the amount of their time spent on the programs.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Note 2: Change in Accounting Principle

Topic 606, Revenue from Contracts with Customers

On January 1, 2019, the Foundation adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (Topic 606), using a modified retrospective method of adoption to all contracts with members and customers that were not complete as of January 1, 2019.

The core guidance in Topic 606 is to recognize revenue to depict the transfer of promised goods or services to members or customers, in amounts that reflect the consideration to which the Foundation expects to be entitled in exchange for those goods or services.

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The amount to which the Foundation expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services. As part of the adoption, the Foundation elected the practical expedient to apply the revenue recognition guidance to a portfolio of contracts with similar characteristics in the revenue recognition model. The Foundation also elected the optional exemption to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied as of December 31, 2019.

Adoption of Topic 606 resulted in changes in presentation of financial statements and related disclosures in the notes to the financial statements.

Note 3: Revisions

The December 31, 2018 statement of functional expenses has been revised for an immaterial error whereby catering and hall expenses reported as direct cost of special events of \$375,023 were improperly excluded. The revision increased catering and hall – direct costs of special events from \$0 to \$375,023, total expenses from \$4,591,692 to \$4,966,715, and decreased the reconciliation of catering and hall – direct costs of special events to report total expenses included in the expense section of the statement of activities from \$0 to (\$375,023).

The December 31, 2018 disclosures within *Note 4* about fair value of assets and liabilities have been revised for an immaterial error whereby government bonds and corporate bonds were improperly classified as a Level 2 investment. The revision reduced government bonds and corporate bonds – Level 2 from \$613,039 and \$312,126, respectively, to \$0, increased government bonds and corporate bonds – Level 1, from \$0 to \$613,039 and \$312,126, respectively, decreased total investments – Level 2 from \$912,165 to \$0, and increased total investments – Level 1 from \$1,461,248 to \$2,386,413.

The December 31, 2018 disclosures within *Note 10* of net assets have been revised for an immaterial error in the classification of types of restrictions in year-end balances and related releases. The following line items for 2018 were affected by the revision.

	As Revised	As Previously Reported	Effect of Change
Net Asset With Donor Restriction Year End Balances			
Subject to expenditure for specified purpose			
Advocacy	\$ 333,949	\$ 35,985	\$ 297,964
Contributions receivable, the proceeds of which have been restricted by donors for			
Community impact	1,324,500	-	1,324,500
Advocacy	139,227	-	139,227
Subject to the passage of time			
Contributions receivable that are not restricted by donors but which are unavailable for expenditure until due	111,200	1,872,891	(1,761,691)
Releases			
Expiration of time restrictions	15,900	757,245	(741,345)
Satisfaction of purpose restrictions			
Community impact	1,509,612	811,014	698,598
Advocacy	71,680	28,933	42,747

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December 31, 2019 and 2018

The December 31, 2018 disclosures within *Note 12* of liquidity and availability have been revised for an immaterial error whereby the amount of contributions receivable excluded amounts due in greater than one year which amount had been deducted from the total as part of the donor-imposed restriction amount. The revision increased contributions receivable from \$1,483,643 to \$1,892,945, and financial assets available to meet cash needs for general expenditures within one year from \$1,703,750 to \$2,113,052.

Note 4: Fair Value Measurements and Disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of 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** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices 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
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

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Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2019 and 2018:

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019				
Investments				
Equities				
Domestic	\$ 483,673	\$ 483,673	\$ -	\$ -
Fixed income				
Government obligations	746,824	746,824	-	-
Corporate bonds	306,167	306,167	-	-
Mutual funds	1,361,967	1,361,967	-	-
Total investments reported in the fair value hierarchy	2,898,631	2,898,631	-	-
Cash and cash equivalents	23,709	-	-	-
Total investments	\$ 2,922,340	\$ 2,898,631	\$ -	\$ -

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018				
Investments				
Equities				
Domestic	\$ 381,645	\$ 381,645	\$ -	\$ -
Fixed income				
Government obligations	613,039	613,039	-	-
Corporate bonds	312,126	312,126	-	-
Mutual funds	1,079,603	1,079,603	-	-
Total investments reported in the fair value hierarchy	2,386,413	2,386,413	-	-
Cash and cash equivalents	82,999	-	-	-
Total investments	\$ 2,469,412	\$ 2,386,413	\$ -	\$ -

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The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2019.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 5: Contributions Receivable

Contributions receivable consisted of the following:

	<u>2019</u>	<u>2018</u>
Due in one year	\$ 1,318,275	\$ 1,483,643
Due in two to five years	<u>765,400</u>	<u>424,800</u>
	2,083,675	1,908,443
Less discount to present value	<u>(21,726)</u>	<u>(15,498)</u>
	<u>\$ 2,061,949</u>	<u>\$ 1,892,945</u>

Discount rates ranged from 1.60 percent to 4.63 percent and from 1.98 percent to 4.63 percent for 2019 and 2018, respectively.

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Note 6: Property and Equipment

	2019	2018
Equipment	\$ 51,043	\$ 51,043
Furniture and fixtures	154,301	154,301
Leasehold improvement	392,274	382,193
Website	426,550	-
	1,024,168	587,537
Less accumulated depreciation and amortization	(475,464)	(386,157)
	\$ 548,704	\$ 201,380

Note 7: Operating Leases

The Foundation entered into a noncancelable lease agreement for their office space in New York City. The lease expires in March 2023.

In addition, the Foundation is obligated under various lease agreements for the use of equipment through 2023.

Total rent expense was \$279,283 and \$236,484 for the years ended December 31, 2019 and 2018, respectively.

Future minimum lease payments under operating leases are:

	Office Space	Equipment	Total
2020	\$ 233,129	\$ 41,546	\$ 274,675
2021	240,051	37,608	277,659
2022	247,180	38,646	285,826
2023	62,709	30,686	93,395
	\$ 783,069	\$ 148,486	\$ 931,555

Note 8: Revenue from Contracts with Special Events Attendees

Special Events Revenue

Revenue from special events is reported at the amount that reflects the consideration to which the Foundation expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event.

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Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Foundation.

Revenue for performance obligations satisfied over time is generally recognized over the duration of the related special event.

Transaction Price

The Foundation determines the transaction price based on standard charges for goods and services provided.

For the year ended December 31, 2019, the Foundation recognized revenue of \$142,300 from goods and services that transfer to the attendee over time.

Note 9: Pension Plan

The Foundation has a defined contribution pension plan covering substantially all employees. The plan is non-contributory by the employees. The Foundation makes discretionary contributions to the plan. Employees are 100 percent vested into the plan after two years of services. Pension expense was \$57,311 and \$37,130 for 2019 and 2018, respectively.

The Foundation offers its employees a voluntary tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. The Foundation does not make contributions to this plan.

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Note 10: Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2019 and 2018 are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose		
Community Impact	\$ 771,940	\$ 687,584
Advocacy	295,100	333,949
Contributions receivable, the proceeds of which have been restricted by donors for		
Community impact	1,478,366	1,324,500
Advocacy	<u>241,000</u>	<u>139,227</u>
	<u>2,786,406</u>	<u>2,485,260</u>
Subject to the passage of time		
Contributions receivable that are not restricted by donors but which are unavailable for expenditure until due	<u>65,300</u>	<u>111,200</u>
	<u>65,300</u>	<u>111,200</u>
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
Community Impact	143,334	68,418
Advocacy	<u>18,964</u>	<u>6,900</u>
	<u>162,298</u>	<u>75,318</u>
Not subject to spending policy or appropriation		
Required to be maintained in perpetuity by donor	<u>1,008,412</u>	<u>1,008,412</u>
	<u>1,008,412</u>	<u>1,008,412</u>
	<u>\$ 4,022,416</u>	<u>\$ 3,680,190</u>

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Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2019</u>	<u>2018</u>
Expiration of time restrictions	\$ 45,900	\$ 15,900
Satisfaction of purpose restrictions		
Community Impact	1,465,715	1,509,612
Advocacy	383,720	71,680
Research	-	30,066
	<u>1,895,335</u>	<u>1,627,258</u>
Restricted purpose spending-rate distributions and appropriations		
Community Impact	33,419	9,089
Advocacy	7,819	1,668
	<u>41,238</u>	<u>10,757</u>
	<u>\$ 1,936,573</u>	<u>\$ 1,638,015</u>

Note 11: Endowment

The Foundation's governing body is subject to the State of New York Prudent Management of Institutional Funds Act (NYPMIFA). As a result, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

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The Foundation's endowment consists of approximately 15 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund at December 31, 2019 and 2018, was:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,008,412	\$ 1,008,412
Accumulated investment gains	-	162,298	162,298
Total	\$ -	\$ 1,170,710	\$ 1,170,710

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,008,412	\$ 1,008,412
Accumulated investment gains	-	75,318	75,318
Total	\$ -	\$ 1,083,730	\$ 1,083,730

Change in endowment net assets for the years ended December 31, 2019 and 2018 were:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,083,730	\$ 1,083,730
Investment return, net	-	128,218	128,218
Appropriation of endowment assets for expenditures	-	(41,238)	(41,238)
Endowment net assets, end of year	\$ -	\$ 1,170,710	\$ 1,170,710

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	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,027,163	\$ 1,027,163
Investment return, net	-	(32,676)	(32,676)
Contributions	-	100,000	100,000
Appropriation of endowment assets for expenditures	-	(10,757)	(10,757)
Endowment net assets, end of year	\$ -	\$ 1,083,730	\$ 1,083,730

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods. The Foundation expects its endowment funds to provide an average rate of return of approximately 5 percent annually over time. Actual returns in any given year may vary from this amount.

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 current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a spending policy of appropriating for expenditure each year 5 percent of its endowment fund's average fair value over the prior 3 years through the year-end preceding the year in which expenditure is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 6 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Underwater Endowments

The governing body of the Foundation has interpreted NYPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of

- a) the original value of initial and subsequent gift amounts donated to the fund and

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- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted NYPMIFA to permit not spending from underwater funds in accordance with the prudent measures required under the law.

At December 31, 2019 and 2018, the Foundation has no underwater funds.

Note 12: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 and 2018, comprise the following:

	<u>2019</u>	<u>2018</u>
Financial assets at year end		
Cash and cash equivalents	\$ 787,115	\$ 1,430,885
Investments	2,922,340	2,469,412
Contributions receivable	<u>2,061,949</u>	<u>1,892,945</u>
Total financial assets	5,771,404	5,793,242
Less donor imposed restrictions	<u>(4,022,416)</u>	<u>(3,680,190)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,748,988</u>	<u>\$ 2,113,052</u>

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days' operating expenses. The Foundation has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets to meet 30 to 45 days of expected expenditures. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended December 31, 2019 and 2018, the level of liquidity and reserves was managed within the policy requirements.

Note 13: Related-Party Transactions

The Foundation received a speaker's fee of \$0 and \$6,000 in 2019 and 2018, respectively, from an unrelated organization that was subsequently paid to a corporation owned by a Board member for services rendered by that Board member to the Foundation.

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The Foundation annually appoints an elite athlete as the Board President. The Foundation provided the President an \$18,000 annual stipend for speaking, travel and other related services in 2019 and 2018 while promoting the Foundation.

Note 14: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

During the years ended December 31, 2019 and 2018, the Foundation received approximately 36 percent of contributions from two donors and 30 percent of contributions from two donors, respectively.

Special Events

During the years ended December 31, 2019 and 2018, the Foundation received approximately 24 percent and 36 percent, respectively, of revenue from one special event.

Investments

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Note 15: Subsequent Events

Subsequent events have been evaluated through July 7, 2020, which is the date the financial statements were available to be issued.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Foundation. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

There has been significant volatility in the investment markets both nationally and globally since December 31, 2019, resulting in an overall market decline in certain market segments which has resulted in a substantial decline in the value of our investment portfolio.

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On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On May 6, 2020, the Foundation received a loan in the amount of \$334,989 pursuant to the *Paycheck Protection Program*. The loan is due two years from the date of the first disbursement under the loan and has a fixed interest rate of 1 percent per year. A portion of the loan may be forgiven; however, as of the date of this report any amount of forgiveness is unable to be determined.

Note 16: Future Changes in Accounting Principles

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021, and any interim periods within annual reporting periods that begin after December 15, 2022. The Foundation is evaluating the impact the standard will have on the financial statements; however, the standard is expected to have a material impact on the financial statements due to the recognition of additional assets and liabilities for operating leases.